Distribution Agreement

Signature:

______________________________ __________

Tressie McMillan Cottom Date

Becoming Real Colleges in the Financialized Era of U.S. Higher Education: The Expansion and Legitimation of For-Profit Colleges

By

Tressie McMillan Cottom
Doctor of Philosophy

Sociology

____
Richard Robinson, Ph.D.
Advisor

____
Carol Anderson, Ph.D.
Committee Member

____
Irene Browne, Ph.D.
Committee Member

____
Roberto Franzosi, Ph.D.
Committee Member

____
Cathryn Johnson, Ph.D.
Committee Member

Accepted:

____
Lisa A. Tedesco, Ph.D.
Dean of the James T. Laney School of Graduate Studies

____
Date

Becoming Real Colleges in the Financialized Era of U.S. Higher Education: The Expansion and Legitimation of For-Profit Colleges

By

Tressie McMillan Cottom

Advisor:

Richard Rubinson, PhD

An abstract of

A dissertation submitted to the Faculty of the

James T. Laney School of Graduate Studies of Emory University

In partial fulfillment of the requirements for the degree of

Doctor of Philosophy in

Sociology

2015

Abstract

Becoming Real Colleges in the Financialized Era of U.S. Higher Education: The Expansion and Legitimation of For-Profit Colleges

By Tressie McMillan Cottom

Are for-profit colleges real colleges? That question animates public debates, in part, because these market-based credentialing organizations account for 30 percent of U.S. higher education expansion in the first decade of the twenty first century. To be a real college is to be a credential granting organization that conforms to collective assumptions of legitimacy. This case study asks if for-profit colleges are real by asking if, and to what extent, they conform to collective accounts of what constitutes a legitimate college. I extend Elsbach's framework of legitimation accounts (1994), or discursive texts produced to justify an organization's rightness. Quantitative and qualitative content analysis of Securities and Exchange Commission filings; marketing and admissions materials; and legal actions find that for-profit colleges produced multiple comparative and justification accounts of their legitimacy for various audiences. But, I conclude that contrary to extant literature, for-profit colleges are not aiming for institutional homogeneity. Because their financialization constrains their investment in symbolic forms of educational legitimacy, for-profit colleges instead aim to manage multiple legitimate accounts as a normative organizational strategy. I include a discussion of the implications for stratification, policy, and theory.

Becoming Real Colleges in the Financialized Era of U.S. Higher Education: The Expansion and Legitimation of For-Profit Colleges

By

Tressie McMillan Cottom
B.S. English and Political Science, North Carolina Central University

Advisor: Richard Rubinson, Ph.D.

A dissertation submitted to the Faculty of the
James T. Laney School of Graduate Studies of Emory University
in partial fulfillment of the requirements for the degree of
Doctor of Philosophy
In Sociology
2015

ACKNOWLEDGEMENTS

There simply is not enough space for me to thank the many people who helped me make it this far but that will not stop me from trying.

My advisor, Richard Rubinson, anchored my journey and my sanity. Rick's intellectual curiosity is bested only by his good humor. Now can I have your cell number? I am also in my committee's debt. This is a better project for Cathy Johnson's close reads; Irene Browne's thoughtful nudges; Roberto Franzosi's warmth; and Carol Anderson's stunning intellectual breadth.

When I took my first sociology class a year into graduate school, it was at least three years after Sandy Darity first told me that I am a sociologist. I can think of no better gift to give my dearest mentor, friend and intellectual guide than the right to forever say that he told me so. I *am* a sociologist. I won't try to repay you, Sandy. But I do endeavor to deserve your faith in me and to be the mentor to others that you've been to me.

Mine may well be the most enviable academic support network in history: Tim Dowd, Dorothy Brown, Bandana Purkayastha, Nancy Baym, Kevin Kinser, Myra Marx Ferrèe, Kieran Healy, Regina Werum, Jeffrey Alan Johnson, Gina Neff, and Jessie Daniels just to name a few. I owe Gaye Tuchman more gratitude than she will ever let me express. I blush when I think of how I sent what can only be generously described as "developmental" work to scholars par excellence. Bless all of y'alls hearts. Emory's Sociology department afforded me the safety that intellectual maturation requires. Kim, Neema and Pat in particular have consistently had my back. And let the record show that Dean Lisa Tedesco stood in the gap for me when it mattered most.

I like to think I would have figured this whole PhD thing out on my own. But I don't dare imagine trying without my sister-friend Jade. Patricia likes to say that she stalked me. She is easily the most polite stalker in history. I got the better part of that deal. Thank you for your generosity and friendship, Tricia. My friends have forgiven me a thousand sins as I finished the dissertation: Natalie, Michael, Marisela, Erica, Ashley, Melissa, Phil and Nancy. Kate and Deena, what would have befallen me had you not taken me in? Fortunately we will never know. I'll see you at ASA every year that we're not at Dollywood.

Along this journey I fell into relationships with millions of readers, thousands of friends who live in my computer, and dozens of collaborators. I #literally cannot name you all. I would especially like to thank the readers. You changed my life.

I have never enjoyed anything as much as I have enjoyed this journey. It has been hard. I have failed, a lot. I have even failed in public. I have learned more than I ever thought imaginable. And, I am humbled by how much more there is for me to learn. Everyone who took part of that journey – those that cheered me on and those that counted my missteps – thank you. If you don't have haters then you never realize how few and inconsequential they are when compared to those who love you.

Vivian is and always has been my biggest fan, my most honest confidante and my most generous benefactor. Thank you, Ma. Finally and always this journey is dedicated to Gabrielle. She made me indestructible.

Table of Contents

Table of Figures

Introduction: Situating the Problem and Organization of the Dissertation

For seven years now I have researched, written, and presented on the phenomenon of for-profit colleges[1] in the U.S. (e.g. The University of Phoenix, Everest College, etc.) The audiences are from around the world and represent various stakeholders in higher education. They are academics, administrators, parents, students, union representatives and organizers. These conversations are remarkable for how similar they are. Without fail I can rely on an audience member or a reader to ask some version of, "are for-profit colleges *real*?" Experts, of course, ask the question more pointedly with references to signaling theory (see: Connelly et al. 2011; Stevens, Armstrong and Arum 2008) or inter-institutional transfer agreements (see: Anderson, Sun, and Alfonso 2006). These are theories and mechanisms that would suggest if or how much isomorphism (Deephouse 1996 drawing on DiMaggio and Powell 1983) – or, institutional homogeneity – has occurred, making for-profit colleges more like traditional colleges. The implication is that greater isomorphism means for-profit colleges are, or are becoming, real. Generalist audiences often ask some version of "are these places even *accredited?"* The first dozen times an audience member asked me that question, I rambled on about the history of accreditation; national versus regional versus programmatic accreditation; and, normative institutional peerage (Alstete 2007). That answer frequently left audiences more confused

[1] For-profit colleges are credential granting colleges whose tax designation allows owners to extract profit from tuition revenue and distribute that profit to owners. In contrast, not-for-profit traditional colleges do not extract profit or distribute it. Instead, profit-generating activities (e.g. patents, sports revenue) are re-invested in school operations or buffer institutional endowments. The for-profit college difference has also taken on a discursive distinction indicating status differences.

than when I began. It took some time but I finally figured out that by real, people at all levels of discourse are asking if colleges with television commercials and over 70 pending legal claims of various transgressions that recruit working parents and poor brown people via 1-800 numbers are consistent with our collective account of what constitutes a real college. When asking if for-profit colleges are real, people are asking if they are *legitimate*. Legitimacy refers to the "degree of cultural support for an organization" (Meyer and Scott 1983:201) and it is incredibly valuable for organizations. Without a collective assumption that an organization, in this case a college, is "desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman 1995:574) a college is vulnerable to claims that it is, "negligent, irrational, or unnecessary" (Meyer and Rowan 1991:50)[2]. When a college lacks one of the dimensions of legitimacy (see Deephouse and Suchman 2008; Meyer and Rowan 1977; Scott 2001; Suchman 1995 for different schemas), it can confer millions of degrees, generate over $32 billion dollars in tuition-revenue in one year alone, grow by 225 percent over ten years and still have people ask: but are they *real colleges*? Such is the case with for-profit colleges and their rapid expansion in the U.S. This case study of the legitimizing discourse that shareholder for-profit colleges engaged, 1) refines theories of higher education expansion to include how they become legitimate and 2) contributes an analytical framework of educational expansion to the for-profit college sector.

Organization of the Dissertation

[2] In the extreme case, we have a pejorative for illegitimate educational expansion. We call participating institutions "diploma mills" (Ezell and Bear 2005).

This dissertation is organized in six chapters: background literature, theory and research design, findings from market data, findings from admissions data, comparative legitimacy accounts, and conclusions.

Chapter One

To understand the paradox of for-profit colleges' popularity (as judged by enrollment growth) with their contested legitimacy (as judged by pending legal actions), I start with a description of the U.S. higher education landscape. To understand for-profit colleges it is helpful to know against what they are being defined (and judged). The description borrows from organizational ecology literature to describe that institutional field because that literature "enables a comprehensive view of the entire higher education sector and so can accommodate the possibility of systemic change" (Stevens 2015:6). Economic-based rationales that dominate research on for-profit colleges (see Appendix A) subsume structural analysis to individual analysis. Consequently, we know more about what for-profit colleges than *why* they are (Kinser 2009). This chapter discusses the problem that presents for understanding how for-profit colleges interact with stratification.

The institutional field of higher education considers the constitutive parts of "a messy system of educational production" (Stevens 2015:6). Constitutive parts include the extra-institutional actors that have historically influenced the trajectory of higher education expansion (e.g. professional organizations) and new actors with growing influence in the financialized era of corporate higher education[3] (e.g. the Securities and

---

[3] Financialization refers to transactional norms of production that occur in markets, with diffused patterns of behavior across social domains (see: Kreppner). For a discussion of financialization in higher education more broadly see: Slaughter and Roades.

Exchange Commission). I situate the specific characteristics of for-profit college expansion in the broader institutional field, including data on growth, price, debt, returns, and student demographics. What we do know is that for-profit colleges have a long history in the U.S. and one trend in that history is that every era of growth has been marked by periods of scandal and investigation (Kinser 2006). I attribute this tension, in part, to the nature of educational expansion that requires institutions to not only differentiate but also compete for enrollment among low status groups. The socially-constructed vulnerabilities of non elite status groups in higher education and labor markets – e.g. working mothers (Budig and England 2001; Budig and Hodges 2010), women (Buchman et al 2008; Jacobs 1996) military personnel (Engle and Tinto 2008; Maclean 2005), African Americans (Bowen and Bok 1998), Hispanics (Fry 2004), and first-generation college students (Rosenbaum et al 2007) – makes the objective cost, practices, and measures of legitimacy relative concerns about the students on whom they are enacted.

Chapter Two

With a framework of U.S. higher education and the role of for-profit colleges in it, I describe common explanations for educational expansion and explicate the contributions of credentialing theory to this case study. Technical-functional theories, rationales, and measurement have dominated empirical literature on the most recent era of for-profit college expansion[4]. An included chart on all peer-reviewed literature

---

[4] I will call this era the Wall Street Era based on a typology from Kevin Kinser (2006). The era is so called because of the ascendance of large shareholder for-profit college corporations, some of which own several college brands. These shareholder organizations are not the majority of all for-profit college organizations, but they are the most visible and account for much of the sector's overall

published in U.S. journals and major press books during our current era of financialization shows this trend clearly (Appendix A): over 84 percent of these publications use some version of a technical functional theory, method or framework. This literature is instructive for what they can tell us about "student trajectories into and through college" (Stevens 2015:6). But, because these models observe aggregated individual level data they are not "sufficient means for understanding how higher education works" (Stevens 2015:7). Indeed, given the social stigmas associated with being poor, minority, female and their various combinations, examining structural phenomena only at the individual level can effectively project structural inequalities onto individuals (Karabel and Halsey 1977). Questions about whether for-profit colleges are real colleges can be operationalized as "why don't *these students* choose real colleges?" Chung's analysis of causation in for-profit college enrollment is an example of the conclusions drawn from this approach:

> "...[s]tudents sort themselves into 4-yr schools, community colleges and for-profit schools in descending order with respect to students' cognitive skills. We can then reasonably assume that the quality of these schools is commensurate with the corresponding students' cognitive skills" (p.1079).

In this approach, institutional prestige ordering becomes an epistemological framework through which individual students' cognitive functioning is translated.

Kinser (2006, 2009,2010), Levy (2006), Stevens (2015), and Scott (2014) counter this trend with institutional analyses of the institutional field of higher education. This view shifts analysis from individuals to institutions (i.e. schools) and allows researchers to examine how resource flows condition college access. In this framework, the

---

growth. They are also responsible for the ascendance of the Securities and Exchange Commission (SEC) as a regulatory actor in higher education. I discuss the salience of focusing on this subset of institutions more in Chapter 4 when I analyze SEC filings.

expansion of for-profit colleges is understood thusly: *for-profit colleges are new entrants in a dominant institutional field that expand by absorbing unmet market demand from students in ways that challenge traditional colleges' inertia*. Like technical functional theories, this institutional framework is valuable but institutional levels of analyses do not completely capture the macro processes of educational expansion. "To unravel the processes and mechanisms that shape educational expansion, it may indeed be helpful to shift levels of analysis [from institutions]" (Werum 2006:240) to interactions among extra-institutional actors and macro change. Local power structures and interests shape the trajectory of education expansion. These are often fiercely fought battles between various actors over legitimacy and resources (Lous, Febey and Schroader 2009; Quinn 2009; Werum 2006). Like Werum, this project argues that *status competition* theories of educational expansion capture the institutional level of analysis (the colleges themselves) and various resource flows (e.g. federal subsidies) but goes further to theorize other key sites of contestation that contour educational expansion: labor markets and status groups.

Status competition theorizes that, "as education becomes important in the attainment of social status, groups and individuals compete more intensively for success in education, producing inflationary credential expansion far beyond any original functional requirements" (Schofer and Meyer 2005:900). Status competition is a rich literature in sociology of education and of work (see classic: Blau and Duncan 1967; Collins, 1979; Cross, 1979 and contemporary takes: Matlhako, 2002; Rubinson & Hurst, 1997; Windolf & Haas, 1993). More recently, status competition has moved from capturing the process to questioning what extent expansion itself relates to social stratification outcomes.[5] For the purposes of this project, this literature's key contribution is that status competition theorizes educational expansion and the relative characteristics of that expansion vis-à-vis the status groups who fuel the expansion. Institutional theories (such as ecological theories) help us describe the field of higher education but status competition is how we will understand its expansion and for-profit college sector's quest for legitimacy. This project asks: **what story did for-profit colleges tell critical audiences about its legitimacy and what do these stories tell us about the labor markets and status cultures that made expensive, low prestige credentials possible?** That is a question with great consequence. The stories about the right way to live, relate and work orders our activities and determines what activities are abnormal. The story about college going as not only right and desirable but moral and preferable was not always our cultural story. But, today everyone from the President of the United States to academics and parents reinforce the idea that educational attainment is a universal individual and social good. We cannot take for granted that a new form of college necessarily benefits from the story we tell about normative college going. In fact, the presence of absence of legitimacy may be a way to understand why students attend these schools and why so many of us find that such a strange choice. If college going is normative but we question why someone would attend a for-profit college, it follows that for-profit colleges are operating with a different kind of story. And such stories are critical to how and why education expands.

---

[5] Effectively Maintained Inequality (EMI) and Maximally Maintained Inequality (MMI) theories both deal with the stratification effects of educational "leveling up". Essentially, as lower status groups attain a tipping point of educational parity with higher status groups, those with the status to do so exploit qualitative differences in educational attainment, effectively maintaining unequal returns to attainment. See: Ayalon & Shavit, 2004; Ayalon & Yogev, 2005; Breen 2010; Lucas, 2001

After situating the research question, chapter two describes how this case study extends Brown's iteration of status competition or, *credentialing theory*, to explicate legitimizing narratives as a mechanism for education expansion. Credentialing theory builds on the competitive framework of education as a group resource that expands the institutional field of higher education. Credentialing theory differs from other explanations of education expansion[6] in two ways that are important for this project. One, Brown builds on Randall Collins' theory of secondary education expansion (1979) with a more specific focus on the expansion of higher education. Two, Brown's schematic provides three analytical domains to observe of credentialing theory: status cultures, organizations, and labor markets. These analytical categories guide my case study parameters, data sources and methodology. The schematic also situates the interest in legitimacy, or how forms of educational expansion become taken-for-granted as *the* form that expansion will take. Collins attributed the legitimation of credential seeking to cultural elites' control over education. Primary and secondary school attendance became compulsory when elite interests in controlling the socialization of ethnic minorities worked through political processes to make formal schooling normative. Brown's treatment of legitimacy is a bit more nuanced. He attributes the legitimacy of degrees (and degree-seeking behaviors) to political processes, cultural consolidation of norms guided by elite interests, and technocratic pressures exerted by labor markets. When these interests coalesced around higher education, they legitimized degrees as the normative

[6] For a fuller discussion of three common explanations of educational expansion, see technical/functional (Blaug 1976; Davis and Moore 1945 and recent applications Iloh and Tierney 2014); conflict theories (Bowles and Gintis 1976 and recent example Beaver 2009); and a discussion of these explanations in conversation with each other see: Karabel and Halsey 1977 and recent discussion in Apple 1995 and Stevens et al 2015).

means of achieving "personal and public economic wealth and solv[ing] a myriad of social problems" (Herschbach 2006:69). In effect, credentialing theory's analytical domains capture the interactions between macro processes and various domains of social action that coalesce to legitimate and expand higher education. When these actors and actions engage those macro processes they produce textual narratives – or discourses – that they hope will situate them within the greater culture's norms, beliefs, and values. Doing so can protect colleges from valuative inquiries into their organizational processes, which are always different from the institutional myths that narrative their existence (Meyer and Rowan 1977, 1978; Meyer, Scott, and Deal 1981; Quirke 2009). This case study begins a discussion about "to what extent [educational] expansion itself relates to social stratification outcomes" (Werum 2006:241) by examining the legitimation accounts that for-profit college organizations produced for student and market audiences during the Wall Street Era of financialized higher education.

Credentialing theory's three analytical domains determine the scope of my inquiry and the data sources. Legitimacy is a critical enabling condition for educational expansion (Brown and Bills 2011). For-profit colleges have expanded but evidence suggests that their legitimacy is not settled[7]. The unsettled nature of that legitimacy could affect the utility of for-profit college degrees, which are disproportionately earned by low status groups who are the least advantaged in a competition for socio-economic returns to educational attainment. I conclude the chapter with the research design for this case study and three hypotheses from extant literature on legitimacy that informed my data

[7] For example, the eponymous U.S. News and World Report annual college rankings state that for-profit colleges do not meet methodological criteria for inclusion. Additionally, it is hard to imagine a Senate subcommittee hearing on the legitimacy of Ivy League colleges like the ones convened to debate for-profit colleges.

collection. Analysis draws on Elsbach's typology for legitimation accounts (1994) and Meyer et al.'s (2012) refinement of comparative account strategies that non-hegemonic institutions use to negotiate social action without the benefit of taken-for-grantedness. The chapter ends with a summary of key findings.

Chapter Three

Chapter Three presents findings from a qualitative and quantitative content analysis of every Securities and Exchange Commission filing of each shareholder for-profit college (n=18). Quantitative analysis is conducted using a deductive coding scheme of themes drawn from credentialing theory and previous case studies of educational expansion (Appendix C). Qualitative analysis used open coding (Yin 2001) of the textual data "chunks" (n=1420) within each coded theme for relationships and emerging patterns. These data show how these for-profit colleges leveraged qualitative differentiation of accreditation agencies and a necessity narrative to create its legitimacy account for regulators and investors. In narrative form that legitimation account goes thusly: *the labor market is expected to produce more jobs, more rapidly due to technological change than traditional higher education can provide skilled labor; consequently, for-profit colleges are a singular means to produce skilled labor for employers and workers will subsidize their own labor training through publicly subsidized and guaranteed tuition revenue.*

Chapter Four

In Chapter Four I turn to the source of tuition revenue to consider how for-profit colleges navigate the public crisis of its legitimacy for arguably its most important audience: students. Using observational and textual data from the admissions process at nine for-profit colleges in Georgia, I use qualitative coding to 1) describe the enrollment process and 2) analyze form and content strategies of the schools' legitimacy account. Consistent with Elsbach (1994), I find that contested organization presents multiple accounts for various audiences, i.e. the market legitimation account differs from the student legitimation account. The legitimation account produced for students can be summarized as selling higher education writ large rather than selling the for-profit college itself. This legitimation account relies greatly on status groups lacking the social resources to discern qualitative differences in institutional prestige among traditional and for-profit colleges.

Chapter Five

Chapter Five puts the various legitimation accounts produced by for-profit colleges in the context how various actors challenge their legitimacy. That account (assembled from analysis of 74 legal actions against for-profit colleges by federal, state and consumer agencies between 2008 and 2014) argues that macro processes produced for-profit colleges' expansion *and* its legitimacy crisis. The sector's claim to legitimacy rests on its utility (redressing skills gaps in the labor market). That utility account provides clear objective measures against which for-profit colleges can be judged while the profit-motive restrains for-profit colleges from cultivating subjective measures of legitimacy (e.g. campus culture) that offset valuative inquiry of traditional colleges. These objective measures of utility include graduation rates and job placements. For-profit colleges struggle to meet those objective measures because of the stratified resources that status cultures bring with them to for-profit colleges: wealth inequalities, parental status, racial and gender discrimination, etc. Without making substantial investments in the material resources demonstrated to mitigate these structural inequalities for their likely students, for-profit colleges must continue to rely on political inertia rather than normative legitimacy as shield against valuative inquiries.

Chapter Six

Finally, in Chapter Six I reassemble the pieces of the for-profit college expansion puzzle and discuss contributions as well as future directions for research. I conclude with this observation: given the political and cultural capital spent legitimizing the taken-for-granted account of the education gospel as an omnipotent social prescription, it is difficult to see a path for actors to entirely delegitimize for-profit colleges. The ongoing crisis of the sector's legitimacy reflects that tension.

In this chapter I have described the problem that this case study aims to examine: how can for-profit colleges be both the singular point of contemporary higher education expansion and its most contested sector? I have summarized the argument, supported by theory (Chapter Two), empirical data and analysis (Chapter Three and Chapter Four). I have also provided an outline of this dissertation's organization. Next, I begin the theoretical and empirical analysis with a description of the institutional field of higher education in the U.S. and the nature of for-profit college expansion in that field.

CHAPTER ONE: SOCIOLOGY OF HIGHER EDUCATION

The sociology of higher education broadly defines the field of higher education as "encompassing those organizations awarding postsecondary academic degrees and whose legitimacy is formally recognized by organizational peers" (Stevens, Armstrong, and Arum 2008:128). This chapter provides a description of those key actors. The chapter aims to: describe the U.S. higher education institutional field and the for-profit college sector's location within it. It also summarizes the most recent literature on who attends for profit colleges and to what ends they have attended them.

The U.S. institutional field of higher education is comprised of the institutions themselves and a vast web of tertiary actors that coordinates research activity, curriculum, administration, teaching, real estate, institutional investments, sporting leagues, publishing, peerage, and our collective faith in college. There were over 7,000 postsecondary institutions in the U.S. in 2011 (NCES 2014).[8] These institutions have historically been divided into public and private institutions (Kinser 2006, 2009). Public institutions are chartered by and operate as a state actor. Private institutions are not charted, owned or operated by the State. Many of these institutions have affiliations with religious orders (e.g. University of Notre Dame) and others are direct operations of religious organizations (e.g. Brigham Young University). Both public and private universities in the U.S. have long operated in a decentralized national structure. The U.S. Department of Education does not have direct oversight of colleges in the U.S. It

---

[8] Postsecondary institutions included in NCES data are those that are qualified Title IV schools, meaning they participate in federal student aid programs, certified by Title IV of the Higher Education Act of 1965 (and its subsequent recertifications).

primarily exerts authority through access to federal student loan programs, for which institutions must meet criteria (see: https://www2.ed.gov/admins/finaid/accred/accreditation_pg9.html) . Compared to centralized higher education systems in the U.K., the U.S. system can seem a bit like the Wild West with relatively few hoops to clear to operate and few mechanisms for centralized control [see Heyneman and Loxley (1983) for taxonomy and comparative studies]. This openness is both a strength and a weakness for the U.S. system of higher education. Openness allows new entrants like community colleges to proliferate. But, it also allows unscrupulous actors to set up shops, call them colleges, and extract profits with little to show for students or publics. A recurrent debate in public discourse is the extent to which this openness has produced an environment in which for-profit colleges are more similar to open access schools like community colleges or nefarious diploma mills. One way to understand that debate is to understand the centrality of prestige to the institutional field of U.S. higher education.

The U.S. Institutional Field of Higher Education

Prestige defines the U.S. institutional field of higher education, with elite institutions receiving a significant share of sociologists' theoretical and empirical attention (Stevens et al 2008). The prestige hierarchy of higher education reflects the society in which the field is embedded. Colleges are stratified because our social structure is defined by stratification. Elite institutions with low acceptance rates, large endowments, significant name recognition, well-known researchers, and deep ties with society's social and economic elite comprise the top of the prestige hierarchy. Researchers commonly define elite schools as the top twenty-five most selective (Charles et al. 2009) but tradition also defines a set of the most elite institutions as the Ivy League (Bernstein 2001, Karabel 2005; Mullen 2009). And, these "highly selective" institutions have an outsized influence on economics, politics, and culture given the elite status of the students they produce (or, filter depending on one's orientation). Political actors and boosters initially conceived of public land grant colleges as democratizing responses Ivy League institutions' elitism (Brint and Karabel 1989; Gilbert 2000). But, by the late 20th century massive expansion and investment in research (and patents, facilitated by the Bayh Dole Act[9]) created the conditions for elite public institutions to emerge. Tertiary actors[10] began calling schools like the University of Michigan and Berkeley University the public Ivies[11]. These institutions were so called because of their selective admissions but excluded from the Ivy League because of an accident of temporality, i.e. they were founded too late to be included. Various groups of public and private colleges, often defined by their research activity or selective admissions policies, generally round out the prestige tiers after the Ivy League and the public Ivies. Open admissions colleges, including the expansion of community colleges in the mid 20th century, were historically

---

9 The Bayh Dole Act is seen as having sparked an institutional race for scientific patents. See Berman 2011 and Shane 2004 and for broader context see Slaughter and Rhoades 2004.

10 A new entrant in the college rankings industry first coined the term (Moll 1985). As such things go, the institutions embraced the term and the rankings.

11 It remains true that public Ivies are economic and political powerhouses. But there is evidence that in super-elite industries and occupational sectors, public Ivies are derided as inferior to the "super elite" universities. (See: Rivera 2011) Anecdotally, it is not uncommon to hear students on highly selective college campuses deride their own school as a consolation prize for students who didn't get into Superior Actual Ivy League Institution.

public institutions. Open admissions schools operated not on the principle of exclusion but on maximizing enrollment [with some bare minimum of requirements (e.g. English language proficiency)]. This prestige hierarchy has mostly mapped onto another significant institutional measure: tuition. For the entirety of the history of higher education, selectivity and prestige have been roughly equivalent to price. I call this the price-prestige index. As we will see ahead, for-profit colleges have complicated this index and run afoul of the normative assumptions on which it is based. Next, I provide a description of the history of for-profit colleges in the U.S.

History of the For-Profit College Sector

Histories of education place the earliest profit-generating colleges in the U.S. colonies as early as 1494, with institutionalized profit-seeking institutions beginning in 1824 (Kinser 2006). Despite their long historical ties, for-profit higher education is often presented as a novel institutional form. Even as he bemoans the cyclical "re-discovery" of for-profit colleges, Kinser says the "for-profit sector as it exists today certainly has new dimensions" (2006:13). These new dimensions can be summed us as: size, financial prowess, and targeted student population. Today's for-profit colleges are far larger than they were in earlier periods. They also generate more profit and the emergence of shareholding for-profit companies means that profit takes on a different form. Rather than generating family or individual wealth, as was the case with single owner or small chains of for-profit colleges, large shareholder organizations become investment vehicles for Wall Street investors. With some periods of ebb-and-flow of investment and growth, Kinser presents a linear progression of for-profit colleges' development primarily defined by changes in institutional size, legitimacy and profit volume:

Table 1. Historical Eras of For-profit Higher Education (from Kinser 2009)

Historical Eras of For-Profit Higher Education
The Formative Era (1494-1820)
The Pioneer Era (1820-1852)
The Expansion Era (1852-1890)
The Competition Era (1890-1944)
The Federal Student Aid Era (1944-1994)
The Wall Street Era (1994-present)

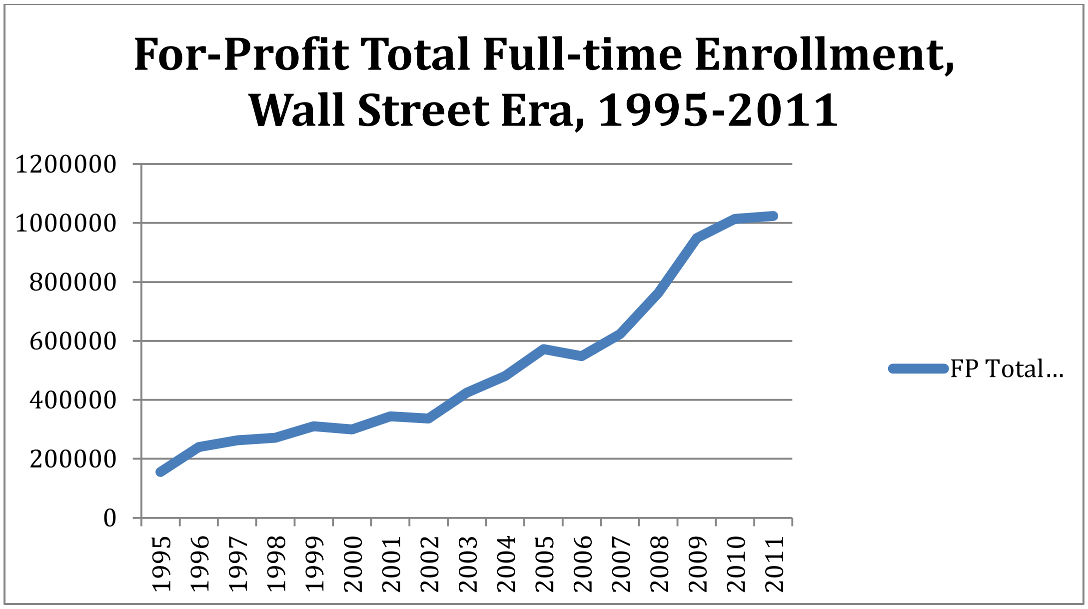
This typology is very useful for understanding the historical trajectory and scope of for-profit institutions. It also presents a puzzle: how is it that a sector of institutions older than some of the most elite traditional colleges is considered a new entrant in the field of higher education? I attribute this sense of newness to the scale of its recent growth and the form that growth took. The characteristics of the Wall Street Era signaled a significant change in the sheer size of the sector, as determined by enrollment and tuition revenue. Shareholder organizations "symbolize the defining characteristic of the current era" of for-profit higher education (Kinser 2006:39). The era began with massive private investment in existing for-profit colleges, most of which were small or regional chains that specialized in vocational education. This massive financial investment required revenues that would justify that investment. To meet that requirement, shareholder organizations emerged to manage growth strategies. These growth strategies included acquiring other colleges, expanding program offerings, and enrolling more students while keeping operating costs low (Kinser 2006, 2009; Tierney 2010; Ruch 2003; Vedder 2004). Most shareholder for-profit colleges do this by centralizing expenditures like curriculum development and minimizing real estate costs through various means (Tierney and Hentschke 2007). Cost savings were reserved for investors as shareholder for-profit colleges' kept tuition rates sufficiently high to extract maximum federal student aid dollars (Cellini and Goldin 2012). All of these activities are consistent with financialization. Financialization is a "pattern of accumulation" by which profits accrue through (frequently complex) financial channels rather than through commodity and capital exchanges (Krippner 2005). These financial channels bring new actors to bear on higher education: private equity, market regulators, investment analysts, and new norms that order all manner of institutional activities[12]. There are many consequences of the financialization of for-profit higher education. One of the most glaring is that financialized for-profit colleges' emphasis on expansion and profit maximization means that for perhaps the first time institutional cost is not a useful proxy for institutional prestige, i.e. the *least* prestigious colleges are among the **most** expensive.

The Wall Street Era of For-Profit Colleges

The Wall Street Era of For-Profit Colleges is characterized by rapid expansion and massive financialization with consequences for cost, student enrollments, and educational returns. Between 1998 and 2008, enrollment at for-profit colleges increased 225 percent, compared to 31 percent growth in higher education generally. Depending on the measurement used, between 10 and 13 percent of all college students, approximately 2.4 million students, attend a for-profit college:

Figure 1. For-Profit College Growth, Wall Street Era

[12] The financialization of for-profit colleges is a symptom of a broader financialization of the institutional field of higher education. Sheila Slaughter and Gary Rhoades refer to it as "academic capitalism" (1997, with theoretical refinements in 2009). McMillan Cottom and Tuchman (2015) argue for understanding the financialization of for-profit colleges as a spectrum of financialized activities that are unfolding across the institutional field, with variable characteristics conditioned by prestige and legitimacy.



[Calculated from Integrated Postsecondary Education Data System (IPEDS), National Center for Education Statistics, 2014]

The for-profit college sector's aggregate growth is impressive. But it is really its growth relative to the traditional college sector that frames contemporary interest:

Table 2. Trends in Number of Institutions and Total Enrollment by Control, Academic Year, 1991, 2001, 2011

	Academic Year 1991-92*		Academic Year 2001-02		Academic Year 2011-12		% Change from 2001-02
Number of Institutions							
For-Profit	**685**	**14%**	**2,287**	**37%**	**3,279**	**47%**	**43%**
Public	1,968	41%	2,052	33%	1,931	28%	-6%
Non-Profit	2,132	45%	1,890	30%	1,802	26%	-5%
Total	4,785		6,229		7,012		13%
Total Enrollment							
For-Profit	**326,961**	**2%**	**752,326**	**5%**	**2,330,545**	**11%**	**210%**
Public	11,515,942	78%	12,330,860	76%	15,096,557	71%	22%
Non-Profit	2,889,011	20%	3,176,494	20%	3,944,759	18%	24%
Total	14,731,914		16,259,680		21,371,861		31%

[Calculated from Integrated Postsecondary Education Data System (IPEDS), National Center for Education Statistics, 2014]

This chart shows that as traditional colleges' (public and private) enrollment growth remained relatively flat during the Wall Street era of for-profit college expansion, "For-profit colleges were responsible for nearly 30 percent of the total growth in postsecondary enrollment and degrees awarded in the first decade of the twenty-first century" (Deming, Goldin, and Katz 2013: 138). The growth of for-profit colleges relative to the growth of the traditional sector has drawn attention from researchers, publics and policy-makers. And the composition of that enrollment growth has drawn attention to the relationship between expansion and stratification. For-profit colleges are said to attract non-traditional students. Empirically, that looks like a disproportionate enrollment of African Americans, women, and older students. Students in for-profit colleges are disproportionately older (65 percent are twenty-five or older), African American (22 percent), and female (65 percent). For-profit colleges also enroll a more disadvantaged group of beginning undergraduates than do other postsecondary schools. "Only 75 percent of first-time undergraduates enrolled in for-profit colleges have a high school diploma, compared with 85 percent of students in community colleges and 95 percent in public or nonprofit four-year colleges (most of the other undergraduates have a General Educational Development diploma, or GED)" (Deming et al 2012). Dependent students in for-profit colleges have about half as much family income as students in community colleges and nonselective four-year public or private nonprofit colleges. Finally, students in for-profits are two and half times more likely than community college students to be single parents (29 percent versus 12 percent). Given the rich literature on structural inequalities associated with race, gender, class, and parental status it may not surprise one to learn that for-profit students are not just "more likely to be poor but quite poor": 16 percent of for-profit students are participating in a means-tested welfare program as compared with 2.6 percent in traditional colleges (Guryan and Thompson 2010). Six years after the start of the sector's Wall Street era in 2000, 22 percent of low-income white students were enrolled in a four-year public college and 10 percent were enrolled in a for-profit college. By 2008, that share was 14 percent and 16 percent, respectively. In 2000, one-third of low-income racial minorities enrolled in college attended a for-profit; in 2008, 49.7 percent of them did. Despite being the smallest sector of higher education, "more low-income black and Hispanic women were enrolled in for-profit colleges than in four-year public and private colleges combined" in 2008 (Blumenstyk 2014:32).

For-profit colleges are often cited as offering occupational training that traditional colleges and universities do not offer. Hentschke attributes the growth of for-profits to their career orientation saying they "offer career-oriented programs for which there are proportionately large numbers of workplace vacancies" (2010:2). For-profit colleges historically offered short-term credentials and later associates' degrees (Kinser 2009). But the Wall Street Era of expansion (1994 to present), that spurned contemporary debate, has seen the sector expand into offering more bachelors, graduate and professional degrees. In 1996 public colleges awarded more than half of all masters degrees conferred in the U.S. and for-profits conferred too few to be recorded in federal data sets. By 2012, the public college share of conferred masters degrees was 46 percent while for-profit colleges conferred 10 percent of all masters degrees awarded (Blumenstyk 2014). The fastest growing sub-sector of for-profit college credential offerings has been in up-market degrees. Fall enrollments at programs lasting four years or more "increased most rapidly in the for-profit sector, 52% between fall 2003 and fall 2006" [NCES, 2005,2006 in Hentschke 2010:3)]. In 2005-2206, for-profit colleges awarded 3 percent of all doctoral degrees. Three for-profit colleges (Capella, Strayer and The University of Phoenix) not only award PhDs in fields as diverse as psychology and education, but for-profit owner Infilaw operates three accredited law schools in Florida, North Carolina and Arizona.

These data can be interpreted as democratizing, i.e. for-profit colleges expand access to the world of advantages attached to college degrees for the groups least likely to have access to them. Indeed, that is what many researchers argue (Iloh and Tierney 2014; Hentschke et al 2010; Ruch 2003; Vedder 2004). But, that "opportunity" is tempered by the price of for-profit colleges [or as Garrity et al (2010) once asked of for-profit colleges "Access for whom, access to what?"]. A 2013 report from the U.S. Senate subcommittee reported comparative tuition costs as:

Table 3. Comparative Published Tuition Rates, By Institutional Control and Degree Level, 2011

	Public Not-for-Profit	For-Profit
Certificate	$4,250	$19,806
Associate's	$8,300	$35,000
Bachelor's	$52,500*	$63,000

It is important to note that published tuition prices can be misleading. Traditional colleges can and do often discount published tuition prices using federal/state subsidies and various institutional aid programs. The College Board says:

> Published tuition and fee levels are higher at private nonprofit four-year institutions than at for-profit institutions, but average net tuition and fee levels are higher in the for-profit sector, except for students from the most affluent families. For lower-middle-income students, the average net tuition and fee level in 2011-12 was over twice as high at for-profit institutions as at nonprofit institutions, up from 11% higher in 2003-04. (2013)

In effect, the sector that enrolls the most structurally disadvantaged students is, on average, more expensive than traditional college options. For the institutions, this scenario means the majority of their students qualify for the maximum amount of reliable revenue, i.e. federal student aid. This is good news for managing quarterly profit projections. But, for the students in for-profit colleges – 97 percent of who rely on student aid as opposed to 52 percent in traditional colleges (U.S. Senate 2013) – the inverted price-prestige index is a risky bet. For numerous reasons the bet appears to have low yields. For-profit students are more likely to drop out than are traditional college students with similar demographics (Deming Goldin Katz 2012). And when they drop out, they are less likely to receive economic returns to having completed some college without a degree whereas there remain measurable returns to some college-no degree for traditional college students (Cellini and Chaudhaury 2014). Additionally, there is some evidence that those who do manage to complete their for-profit college degree program experience negative bias entering the labor market or continuing their educations in traditional college degree programs (Kinneer 2014). These complicated returns to educational attainment could explain why for-profit students are 30 percent of all student loan debt holders but account for half of all student loan defaults (U.S. Senate 2013). Their educational attainment returns appear to be less straightforward than it is in the traditional college sector.

The Wall Street Era of for-profit college sector has been called remarkable for it's explosive enrollment growth and revenue (Cellini and Chaudhaury 2014; Deming et al 2012; Tierney and Hentschke 2007). But, thinking of this era and this sector that narrowly obscures what is really remarkable about the expansion of for-profit colleges. They account for a significant proportion of all higher education expansion in the U.S. in the 21st century. And unlike in previous era of college expansion, this era of higher education expansion did not happen at the behest of religious or state control. For the first time, the defining characteristics of U.S. higher education were forged by markets, drawing students from the most vulnerable status groups, operating under the normative ideologies of financialization, and for the benefit of individual gain and corporate profits. It seems little wonder that audiences ask if these are real colleges. Credentialing theory would hypothesize that qualitative changes in how we work demanded a new character of educational expansion with new legitimation narratives to explain why market-driven degrees are right, proper and desirable.

This chapter described the institutional field of higher education and how the for-profit college sector is situated within it. It also summarized extant literature on for-profit colleges, the majority of which has examined student demographics and labor market returns. The next chapter presents credentialing theory's explanation of education expansion, the critical importance of legitimacy, and describes the research design for this case study.

CHAPTER TWO: THEORETICAL FRAMEWORKS AND RESEARCH DESIGN

This project advances one of three predominate theories of educational expansion in social science by refining the role of legitimacy in a case study of for-profit college expansion. Economists overwhelmingly explain educational expansion as the aggregate pursuit of skills undertaken by individual rational actors who desire greater economic and social rewards (Blaug 1976; Davis and Moore 1945 and recent applications Iloh and Tierney 2014). These frameworks are alternately called functionalist or human capital models or technical-functional theories of educational expansion. Economic rationales have diffused across disciplinary silos to become one of the dominant modes of inquiry for education researchers (Stevens 2015), the likes of whom have done the majority of empirical research on for-profit higher education (see: Appendix A). That research overwhelmingly maximizes national data on individuals (students) and institutional characteristics. Consequently, the human capital/technical-functional frameworks that researchers favor are most likely to examine the open-admissions institutions that sociologists have been slow to observe are more descriptive than explanatory. This work is vitally important. It is how we know the scope of the for-profit college phenomenon. But, different levels of analysis and epistemological approaches can tell us more about how for-profit colleges expanded. If technical-functional approaches give us a good idea of what for-profit colleges are, credentialing theory endeavors to explain why for-profit colleges are. Credentialing theory moves from aggregate individual measures to group measures, macro contexts and the processes by which the group and macro interrelate. Next, I summarize the credentialing literature and the critical role of legitimacy to education expansion, with a particular emphasis on the consequences for stratification.

Credentialing theory is an iteration of the status competition theories that have animated sociological research since education became a central mechanism for stratifying entry into the U.S. occupational structure (Blau and Duncan 1967). Various iterations of status competition theory have adapted new methodological tools to ascertain the extent to which status proxies (i.e. degrees or credentials) dis/allows labor market entry, condition labor market mobility, and stratify social returns to educational attainment. We owe Weber for contemporary iterations of both credentialing and legitimacy. Of credentialing, Weber recognized the centrality of symbolic status proxies as criteria for efficient professional social enclosure. And, Weber's conceptualization of authority is the precursor for the role of legitimacy across organizational contexts and roles. Several decades of research demonstrated that dominant modes of work seemed to consume credentials as fast as our post-industrial society could produce them. Collins (1979) reinvigorated sociological engagement with credentialing theories by reminding us that education is not just a one way path to social mobility but also a contested terrain where status groups battle for esteem and power. Drawing on primary and secondary school data in the U.S. during the 20th century, Collins argues "educational credentials serve as primary markers of status in modern societies, provoking conflicts over control of the organizational infrastructure and curricular content of credential conferral (Stevens, Armstrong, Arum p.134). Subsequent research reports mixed evidence on the extent to which status group conflict (usually observed as inter-ethnic conflict) drives educational expansion. On the one hand, racial conflict throughout the 19th and 20th century defined the expansion of higher education through the development of a system of what today we call historically black colleges and universities (Anderson 1988). And, gender discrimination produced a sector of single-sex women's colleges (Conway 1974). And, the rapid expansion of higher education in the 1960s "does not coincide with especially large historical changes in occupational structures, job skill requirements, or labor market demands that would create a need for massive expansion of higher education " (Morris and Western 1999; Wyatt 2006 in Schaefer and Meyer 2005:900) but it does coincide with an era marked by cultural conflicts across various status cultures.

This supports credentialing theory's hypothesis that as marginalized status groups enter the higher education field; elite status groups indirectly and directly channel growing demand for education into lower status (often newly formed) institutions. This has the net effect of protecting the culture of elite institutions (what Collins called sinecures) and attendant institutional prestige. But, on the other hand, some literature finds that the effect of status conflict on educational expansion is either over-stated or too localized to explain all forms of expansion. In comparative study of national education expansion, Shoefer and Meyer find that "tertiary enrollments grow slowly in ethnically diverse societies and faster in homogenous ones" (2005:912). It may be the case that global diffusion of higher education subsumes national localized ethnic conflicts that had previously shown to contour educational expansion (Boli and Thomas 1999). Conflicting findings over the extent to which status group competition drives educational expansion primarily occur at the global level of analysis. One way to resolve the tension between empirical case studies where status conflicts clearly determined higher education expansion and comparative studies of educational expansion is one taken by Ralph and Rubinson (1980): elite status groups may not be powerful enough under contemporary national-cultural regimes to control educational expansion but they can still exert considerable proportional influence over slowing down expansion or directing aspects of its trajectory.

I use Brown's iteration of credentialing theory because it explicates mechanisms that can guide empirical observations. Whereas Collins ascribed a significant amount of causal power to status group conflict, Brown gives similar weight to labor markets and organizations as mechanisms for educational expansion. For Brown, in advanced capitalist societies with rationalized forms of work, qualitative changes in labor markets exert influence over the stimulation of credentials in higher education organizations:

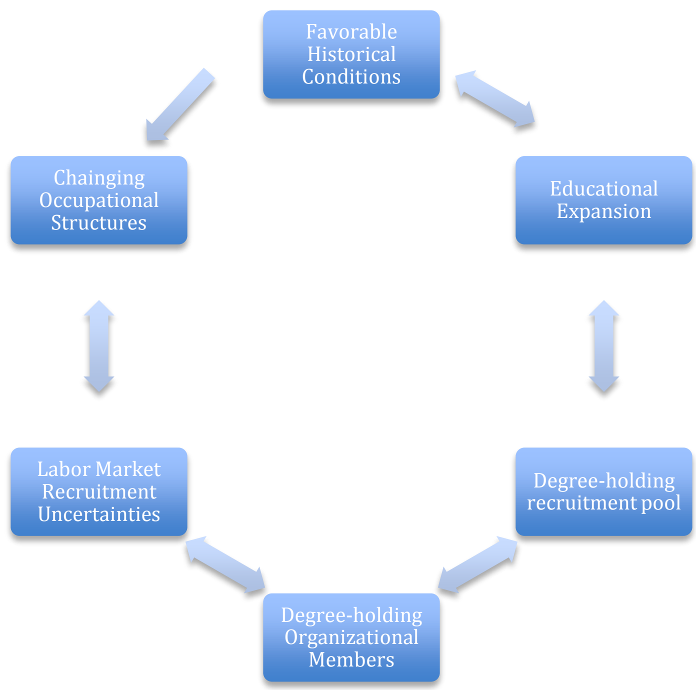


Figure 2. Credentialing Theory, Adapted from Brown (1995)

For example, Brown refines credentialing theory using a case study of U.S. higher education in the late 19th century. He demonstrates that between 1800 and 1880, the U.S. experienced a rapid expansion of colleges. This expansion precedes technological skill development in the labor market. That is, jobs at the time were not clamoring for specialized skills that could only be provided through college matriculation. This neutralizes the basic skill-expansion premise of human capital/technical functional explanations. And, this expansion predates the growth of state regional colleges and community colleges that might presumably generate new demand for college degrees from those previously shut out of the elite East Coast institutions. Brown's level of analysis is institutional but it also considers correspondence between favorable conditions for expansion and the subsequent character of that expansion.

Brown's version of credentialing theory says that after preconditions for necessary wealth and decentralized field of higher education are met, extra-institutional factors shape how higher education expands. These extra-institutional factors include correspondence with various feeder institutions and cultures that can produce a new pool of prospective students. In the case of the 19th century era of expansion, traditional colleges created formal correspondence with secondary schools. This included standardized admissions criteria and curriculums. College actors exerting other, less formal influence over prospective student pools. Alumni groups contributed to new narratives about college life as socially edifying and a college degree as infinitely more practical than earlier classics curriculums. This created a new social norm, replete with institutional investment in campus social activities that gave college life its contemporary cache. That norm also promised a practical curriculum with business applications. But, as David Labaree says, all of this would have been for naught had there not been concomitant qualitative changes in labor market recruitment and hiring (1997). In Brown's case study, the most important of these qualitative changes was the growing rationalization of work. As large bureaucracies organized the dominant form of work, the organizational logic of said bureaucracies exerted new normative work arrangements.

Knowledge work became one of the key characteristics of normative bureaucratic work arrangements. Rather than performing skilled labor tasks in industrial work organizations, knowledge based workers executed prescribed bureaucratic tasks. Workers were no longer likely to be measured by how many widgets they made but by how well they completed forms, adhered to normative rules of behavior, and performed rituals that maintained institutional myths. College degrees became useful for screening large pools of capable workers (as the emphasis on knowledge work leveled access for status groups that had been excluded in more manual based jobs). College degrees roughly approximated the extent to which workers could comply with institutional norms and rules; had been socialized to bureaucratic work arrangements; and shared cultural capacities of language, dress and values. By the 1890s 1) various actors 2) and qualitative labor market changes had become singular enough to organize resources and large groups of people[13]. With those pieces in place, actors co-created a narrative that going to college is right and proper.

Credentialing theory has numerous implications for how we understand the Wall Street Era of for-profit college expansion[14], but this analysis focuses on the critical role of legitimation. In Brown's 1995 refinement of credentialing theory, legitimacy hangs in the

---

[13] In Brown's case study extra-institutional actors in professionalization groups (e.g. teachers organizations, engineering organizations, etc.) exert influence in favor of college going. More formal extra-institutional actors include accreditation agencies and personnel management.

[14] For example, why did college expansion happen in the private sector as opposed to the public sector? What role, if any, did political parties/status groups play in the character of this expansion? Did African American political parties, for example, resist or facilitate for-profit college growth as an educational resource? How has various technological changes to personnel recruitment influenced the expansion of for-profit credentials? As we move to online applications as the primary means of personnel filtering, what does this mean for qualitative differentiation among credentials? What role have professional organizations like the American Medical Association done to neatly shut out for-profit medical schools while for-profit colleges dominate in conferring nursing credentials?

shadows of those “favorable historical conditions” that precede educational expansion. In later writings Brown (with David Bills) puts a much finer point on legitimacy’s centrality to educational expansion: “A precondition for the existence of credentials is that they must be made plausible, legitimate abstractions for the parties involved and the purposes at hand in order for them to work at all (2011:135). Given this condition of educational expansion, how can we resolve the rapid expansion of for-profit colleges with contestations that they are not legitimate? This project proposes that for-profit colleges’ legitimacy accounts might serve multiple purposes.

Legitimacy refers to the ways in which any social order orients actions in accordance with “maxims or rules” (Weber 1978 [1924]:31). Legitimacy is co-created through symbolic interactions and rationalized through social psychological and organizational processes. Because credentialing theory focuses on structural processes, I draw on legitimation theory of organizations. However, among legitimacy theories in the organizational literature, there are numerous definitions, schematics, frameworks, and typologies from which to choose. Next, I summarize prevailing legitimacy frameworks in various organizational literatures. Like others, I find that very few of these frameworks provide clear mechanisms to support empirical formulations for how legitimacy is produced and contested. And, with so few comparable studies of legitimacy in case studies of educational expansion, I rely on methodologies developed using Greenwood’s dimensions of legitimacy and discursive textual narratives of institutional legitimacy. This project asks: what story did for-profit colleges tell critical audiences about its legitimacy and what do these stories tell us about the labor markets and status cultures that made expensive, low prestige credentials possible.

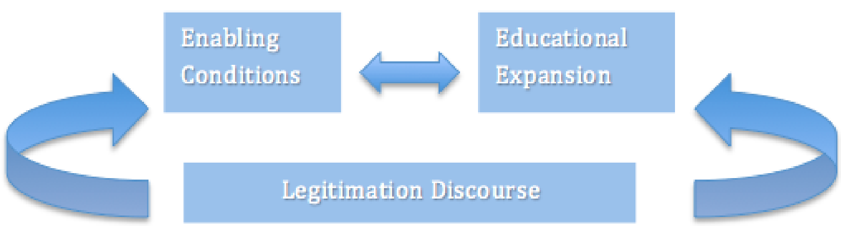
Legitimation Accounts and Higher Education Sectors

Based on the premise that ‘‘situations, organizations, and environments are talked into existence’’ (Weick, Sutcliffe, & Obstfeld, 2005: 409), actors articulate the norms against which they wish their organizations’ legitimacy to be judged. This is done through institutional narratives, or discourse. Discourse refers to a structured collection of meaningful texts that bounds an organization’s “social fabric” (Wodak and Meyer 2009). Discursive texts are important to legitimation “because they rest on communicative practices between the organization to be legitimated and its stakeholders, both internal and external (Elsbach 1994; Suchman 1995). Meyer, Buber and Aghamanoukjan say, “from a discursive perspective, legitimacy can be gained, maintained, and conveyed primarily through the production of texts” (2013:172) or legitimation accounts. Legitimation accounts are “linguistic devices employed whenever an action is subjected to valuative inquiry” (Scott and Lyman 1968:46). Empirically, studies have applied various interpretations of legitimation accounts to verbal accounts of the cattle industry’s relevance amidst crisis (Elsbach 1994); how HIV/AIDS non-profits legitimized their advocacy in a hostile environment (Maguire and Lawrence 2004); and, charter “rogue” schools as they compete for parental trust and students without hiring certified teachers (Quirke 2009).

A broader literature concerned with organizational discourse but without a clearly articulated legitimacy framework, studies discourse produced about organizations. Much of this work examines media accounts of organizational practices and institutional field processes. Some studies in this area have looked at the metaphors, ideologies and genres found in media texts concerning hostile takeovers (Hirsch, 1986, Hirsch and Andrews, 1983 and Schneider and Dunbar, 1992). Other authors analyze specific types of discourse through which the changes involved in mergers and acquisitions are justified, legitimized and naturalized in the media (Hellgren et al., 2002, Koller, 2005, Kuronen et al., 2005, Vaara and Tienari, 2002 and Vaara et al., 2006). Vaara et al. (2006), for instance, identify four discourse types used in legitimation (neoliberal, nationalistic, humanistic and entertainment discourse) and five discursive legitimation strategies (normalization, narrativization, authorization, rationalization, and moralization).

The somewhat intuitiveness of discourse, legitimacy and organizations has produced a literature with more arguments than clear analytical mechanisms and methodologies. Scott says, “The existing literature is a jungle of conflicting conceptions, divergent underlying assumptions, and discordant voices” (2001:9). Elsbach (1994) is an exception, providing four types of legitimation accounts that organizations produce: references to normative practices, references to rational practices, comparisons with other industry practices, and references to historical practices. Using a case study design, Elsbach assembled data from media accounts and interview data with Cattle industry executives. Guided by existing organizational legitimacy theories, Elsbach used iterative coding to refine theoretical mechanisms. This process is strength of case study methodologies. This study makes three contributions important for this case study. First, Elsbach finds that organizational verbal accounts can be defined by how they are framed as well as how they are discursively presented, i.e. form and content. This didactic structure of organizational accounts lends itself well to mixed methods content analysis of texts produced by organizations. Quantitative content analysis uses a coding scheme to extract chunks of textual data that represent a single theme. These thematic text chunks can then be observed in the aggregate for patterns of occurrence and relationships with other themes. This captures how content is built to create cohesive organizational accounts, which in the aggregate can be attributed to the organizational field. Qualitative content analysis codes textual chunks for meaning, or how organizational verbal accounts "are framed" (Elsbach 1994:66). When used together in a mixed methods research design, qualitative and quantitative content analysis are well-suited to observing the frequency, content and form of organizational accounts of their legitimacy discursively produced in texts. I explicate the role of legitimation discourse in credentialing theory as:

Figure 3. Refinement to Credentialing Theory



Legitimacy is both a condition for educational expansion and a means by which education expands.

Considering how much colleges rely on legitimacy accounts to not only operate but to give value to the symbolic credentials that they produce, it is odd that so few studies have empirically observed how higher education has constructed legitimacy. Again, Quirke's study examines legitimacy in secondary schools. And, Brint and Karabel effectively make a case for how community colleges were legitimated in their classic text. But, most research in sociologies of higher education study upstream in elite colleges and universities. It may be that such institutions' legitimacy is so taken-for-granted (Johnson, Dowd and Ridgeway 2012) that it becomes a cognitive assumption in research. Despite the paucity of research specifically on the legitimation of higher education, there are several instances of the hegemonic legitimation account of traditional colleges in higher education case studies. A summary of two such case studies are illustrative for the actors who created our current ideas of what constitutes real college.

Elites and The Rest of Us: The Making of Higher Education's Ruling Legitimation Account

James Karabel's "Chosen: The Hidden History of Admissions and Exclusion at Harvard, Yale, and Princeton" is ostensibly a history of three colleges. But, so formidable are these three colleges in the prestige hierarchy of higher education (and the social structure) that the book is also an origin story of traditional higher education's hegemonic legitimation account. At the turn of twentieth century, The Big Three admitted students to university based on merit. Aspiring students took an entrance exam and the score determined admissions. It was as close to a meritocracy as U.S. higher education has yet achieved. By 1920, admissions to the Big Three had replaced the admissions exam with a selection process based on desirable character to suppress the growing number of ethnic Jews who had gained admission. Karabel says this departure from scholastic merit to cultural fit was the first time that U.S. higher education established its institutional right to discretion in admissions. Several actors coalesced around what would have been the kind of "'precipitating jolt," (Greenwood et al 2002) that precedes a new legitimation account. College presidents, alumni organizations, elite philanthropists coalesced around The Big Three's new legitimation accounts construction. Woodrow Wilson, then president of Princeton University forged his political ambitions by negotiating competing demands that the cultivate a whiter, more Anglo-Saxon and patrician discursive account for the college. By the 1930s a clear narrative had emerged. Rather than solely fomenting scholastic excellence, elite higher education would make “college men and women” of similar culture, interests and tastes. The Big Three organized around this narrative; instituting more extra-curricular courses, investing in social clubs and sporting leagues; and, turning a blind eye to the inevitable excesses borne of wealthy young people who were now expected to socialize as much (if not more) they studied.

By virtue of its perch atop the prestige hierarchy, the elite college legitimation account became the hegemonic account of “real college”. But, it also presented a legitimacy problem. Admissions discretion had been instituted to screen out racial, ethnic and class status cultures deemed undesirable. To legitimize that marked departure in cognitive assumptions of what college should be, elite interests cultivated an account that college is about more than learning. It is about socializing and developing moral character befitting America’s ruling elites. But for taken-for-granted accounts to ascend to collective assumptions of not only what is but what should be, non-elites had to participate in the legitimation account. Admitting them to college would undermine the entire point. To balance collective investment in its legitimation account against the necessity of the account’s exclusion of the masses, elite colleges turned to intercollegiate sporting competitions (Bernstein 2001). The masses may never qualify for admissions to the Big Three but they could attend a football game. Through fictive participation in elite college culture through sporting rituals, the exclusionary elitism of higher education ascended to the legitimate, proper way to do real college.

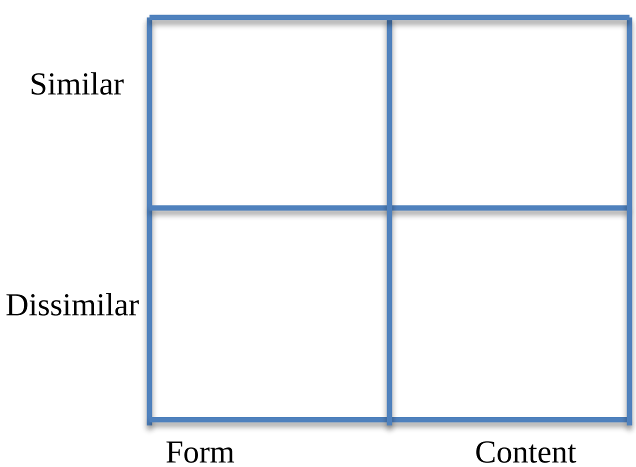
The new account of elite higher education's legitimacy proved effective and by the golden era of higher education expansion after World War II the stage was set for a refinement. If elite higher education provided a fictive kinship with selective institutions, land grant public colleges and community colleges appeared to widen participation to actively develop kinship with college. "Between 1945 and 1990 the United States built the largest and most productive higher education system in world history" (Stevens 2015:1) and co-created an updated legitimation account that eschewed exclusion for democratization. Similar to Brown's findings, a diverse group of actors coalesced to make college-going a normative for the masses during that time. Business elites, politicians and academic leaders co-created "a set of ideas promoting the belief that education raises both personal and public economic wealth and solves a myriad of social problems" (Herschbach 2006:69). Whereas The Big Three said college was good for a few because many could watch it from the sidelines, this new "education gospel" (Grubb and Lazerson 2005) said that college was a democratic public good. From this account, social science would develop epistemological and ontological frameworks that implicitly center educational attainment as a normative individual and collective goal. This account legitimates everything from degree seeking to personal enrichment courses on time management. These activities produce human capital that will spur economic development, justifying the massive federal investment in student aid programs to help individuals pay for it. As we can see, the account of higher education as a material and cultural resource legitimates all manner of activities at every level of analysis. Nation-states subsidize individual education attainment through public subsidies. Philanthropy invests in educational institutions and private sector start-ups to promote moral and economic fortitude among the less fortunate. Politicians argue over education tax credits to assuage concerns about unemployment and underemployment. Researchers judge the educational aspirations of marginalized groups against the aspirational norm, constructing subjectivities into objective measures.

When compared against this legitimation account of a real college, open admissions colleges such as community colleges and for-profit colleges may not stand a chance. But, community colleges found a way. As the sector was expanding in the 1950s, state and community actors rallied around a new legitimation account of developmental and vocational higher education. Community colleges would provide applied skills training for soldiers returning from war and other status groups who were not well suited to the residential, character-driven culture of traditional colleges. This legitimation account dovetailed with qualitative changes in work. More women and older students were training for labor market entry. Community colleges would not only provide valuable skills training but a community hub for professional and personal development. With a similar focus on skills training, non-traditional status groups and remediating labor market skills gaps, I would hypothesize that for-profit colleges would develop a legitimation narrative similar in form to the community college legitimation account. This would include framings that make explicit claims to skills gaps narratives and professional development.

Hypotheses: Legitimation Accounts, Audiences, And Strategies

Extant literature suggests that the for-profit college sector's legitimation accounts might maximize correspondence with labor markets and eschew the community college claim to personal development and public good. Whereas community colleges were charted by the State and are heavily subsidized by public investment, for-profit colleges are tasked with generating profit. And, shareholder organizations define this era of for-profit college expansion and shareholder organizations are structured for quarterly and annual measurement. Consequently, the pressures of producing quarterly profits and annual returns should influence the content of the for-profit college legitimation account. Personal development and public good represent diverting material resources to non-revenue generating activities. Also, investing in other symbolic forms of higher education legitimacy that defined the legitimation account of traditional (especially elite) higher education costs money, i.e. dorms, sporting teams, Greek life, etc. The profit motive would discourage a legitimation account that undermines revenue growth. And because explaining a new account involves "explaining why a particular new practice represents the best solution to the problem, by appealing to the value it generates for the actors concerned (Maguire et al. 2004)" we should expect that for-profit colleges to produce multiple discourses that differ by audience. Legitimation accounts deploy several forms of discourse when they do not benefit from taken-for-grantedness (Meyer et al 2013). In this analysis I consider the most prevalent discursive forms: "excuses and justifications" (Meyer et al 2013:172). Forms of discourse within and between each institutional narrative across the two audiences (students and markets) are observed for justifications for process or characteristics. For example, a for-profit college might justify a doctoral degree program as necessarily different from the more time-intensive degree programs in traditional colleges. This would be an example of a form (i.e. justification) that draws on dissimilar discourses (i.e. faster matriculation). Content refers to the qualitative messages constructed in these institutional documents and how they do or do not use comparative accounts with traditional higher education (as we might expect per Elsbach). For example, within coded themes related to accreditation (extracted from all institutional narratives) for-profit colleges might present a legitimation account that they have the same regional accreditation and quality measures, as do traditional colleges. This would be coded as similar content (i.e. accreditation themes) that use a comparative account of similarity (i.e. same accreditation as traditional colleges). The content and form of each discursive text could be located in this schema:

Figure 4. Legitimation Accounts, Between and Within Institutional Sectors



Based on credentialing theory's application to earlier eras of higher education expansion I also expect to see correspondence between the for-profit college legitimation account and professional organizations. Not only have professional organizations exerted influence on credential expansion before but also for-profit colleges' appear to argue that they know best what employers want from prospective employees. Organizations that are courting legitimacy may discursively signal its compliance with collective, accepted worldviews. Deephouse and Suchman (2008) argue that professional legitimacy is critical to an organization's appeal to some taken-for-granted cultural account. Such an appeal might court endorsements, "latent professional norms or by professional associations" (Meyer et al 2013:170). One way to articulate this singular benefit of for-profit credentials would be to lay discursive claim to tight coupling with professional organizations. Finally, I expect to find that the content of the for-profit college legitimation account is still being contested. Following Meyer et al, this should manifest through multiple accounts for different audiences and discursive appeals to comparative accounts with traditional colleges:

Table 4. Hypotheses: For-Profit College Legitimation Accounts

Hypothesis	Corresponding Literature
H1: Because the sector has not achieved taken-for-grantedness, the for-profit college legitimation account should vary by audience	Greenwood et al (2002) Johnson, Dowd, and Ridgeway (2006) Meyer, Buber and Aghmanoukjan (2013)
H2: The for-profit college sector's legitimation account(s) should leverage occupational and professionalization correspondences but minimize public good discourse.	Deephouse and Suchman (2008) Maguire et al (2004) Tolbert and Zucker (1996)
H3: Because it is being contested, for-profit colleges should leverage comparative account strategies	Elsbach (1994) Meyer, Buber and Aghmanoukjan (2013)

Because these legitimation accounts are occurring within the macro context of status competition, I narrow my focus to the discursive construction of labor markets, status cultures, and extra-institutional organizational actors that are specific to the Wall Street era of higher education expansion:

Table 5. Analytical Domains of Legitimation Accounts

	Status Cultures	Labor Markets	Organizations
H1 and H2	Discursive construction of status groups for markets and prospective students	Discursive construction of labor market correspondence for markets and prospective students	Discursive construction of coupling with professional orgs for markets & prospective students
H3	Comparative accounts with status groups in traditional higher education	Comparative accounts of labor market correspondence	Comparative accounts of tight coupling with professional orgs.

Finally, I focus on the “meaningful texts” (Meyer et al 2013:171) that for-profit colleges produce for markets and prospective students. Shareholder organizations “symbolize the defining characteristic of the current era” of for-profit higher education (Kinser 2006:39). Because the Securities and Exchange Commission regulates shareholder organizations they have become a “significant source of regulation for the for-profit sector” (Kinser 2006:118). The U.S. Securities and Exchange Commission (SEC) is an agency of the United States federal government. It holds primary responsibility for enforcing the federal securities laws, proposing securities rules, and regulating the securities industry, the nation's stock and options exchanges, and other activities and organizations, including the electronic securities markets in the United States. Shareholder for-profit colleges are the largest and most defining of the sector's rapid growth. To become shareholder organizations, for-profit colleges had to seek regulatory legitimacy from the SEC. Part of that process includes filing prospectuses. These prospectuses are institutional narratives. They include data on the institution's organizational structure, processes, financial solvency and a blueprint for expansion and differentiation. I analyze the SEC prospectuses as discursive texts produced to legitimize shareholder for-profit colleges' for investors and regulators. The SEC is important to the Wall Street era because financial investment is how these organizations procured the means to expand but student tuition puts the "profit" in for-profit. "Because continual enrollment growth is so critical to their business success, most for-profit colleges' first priority is to enroll as many students as possible" (U.S. Senate 2012:15). By federal law, for-profit colleges can "only" derive 90 percent of its revenue from tuition (the "90-10" rule). There is some evidence that shareholder for-profit colleges in particular get around this restriction by maximizing military benefits and student fees as the ten percent, effectively deriving almost 100 percent of its profit from student tuition and fees. Student actors are a critical audience for shareholder for-profit colleges. The legitimation accounts produced for these audiences must justify the tens of thousands of recruiters that for-profit colleges employ. To capture these accounts I gathered them as prospective students would: by participating in the enrollment process at nine for-profit colleges. Field notes and marketing/admissions data from each field site were treated as discursive texts for qualitative content analysis.

Finally, in the course of executing this research project I have met dozens of for-profit college, regulatory, political, student, and state actors in the institutional field. In 2011, I co-organized a national conference (supported by a grant from the American Education Research Association) on for-profit higher education research in the U.S. Executives from five of shareholder for-profit colleges attended both days of the conference. I was able to observe their interactions with academic researchers and regulators over the course of the event as panels discussed the sector's solvency, legitimacy, and context. Over time, these relationships also afforded me access for follow-up interviews with for-profit college marketing researchers, institutional researchers, and enrollment personnel. And, I have maintained semi-frequent correspondence with lobbyists, regulators and private sector researchers in this area. While this group was not formally part of the research process this correspondence has given me a sense of how various sector actors perceive the institutional field and for-profit colleges' place in it. Interactions were sometimes planned. After these interactions I always recorded my impressions and the engagement as field notes. Other interactions were less structured, often in the context of a meeting or conference. Again, I always recorded the engagement and my impressions as field notes. In a sense, these various interactions became a check on my formulation of research questions, guided some of my choices in data selection (e.g. examining the SEC prospectuses), and deepened my analysis of how these legitimation accounts emerge. A summary of these various actors and their location in the higher education eco-system:

Table 6. Supplementary Actor Engagements in For-Profit (FP) Sector

ACTORS	ROLE	AFFILIATION/INSTITUTIONAL CHARACTERISTICS
FP Executive	Corporate	Shareholder FP
FP Academic Executive	Corporate	Shareholder FP
FP Academic Executive (Retired)	Corporate	Shareholder FP, Military Focus
FP Institutional Researcher	Corporate	Shareholder FP, Senior level
FP Admissions Executive	Campus Executive	Shareholder FP; Healthcare Certificates
FP Sector Investment Analyst	Extra-Institutional	Finance sector, multi-national investment bank
Research Analyst	Researcher	Non-profit, non-partisan researcher firm; FP student loan policy and practices
Research Analyst	Researcher	State regulatory agency (CA); oversight of state's FP colleges
Student Advocacy Organizer	Community Organizer	Non-profit student advocacy group; FP student loan practices
Union Representative	Non-profit higher education labor union representative	Non-profit; National organization
Research Analyst	Researcher	State regulatory agency (WI); oversight of state's FP colleges
Research Analyst	Researcher	State regulatory agency (GA); oversight of state's FP colleges

Research Design

This project is fundamentally one about the political economy of for-profit college expansion during a specific chronological time period. Political economy research "relies heavily on qualitative methods" and case study design (Odell 2001). Specifically, this is a *disciplined interpretative case study*. Disciplined interpretative case studies interpret or explain an "intrinsically important" event by "applying a known theory to the new terrain" (Odell 2001:163). The case study encompasses organizational texts produced for students and markets. I ask of these data how legitimation accounts discursively constructed status groups, labor markets and organizations to these two audiences. Because the data collection for student groups is different, methodological memos for each empirical chapter are in the appendices. But, after data collection, I conducted quantitative and/or qualitative methods on both textual corpuses. To apply known theory to a new terrain, the coding scheme is built from observed mechanisms in previous applications of credentialing theory. Extant literature, field research, interviews, and hypotheticals ("how would one build an elite for-profit college") rounded out my process for identifying the means by which colleges construct legitimacy in a prestige hierarchy. This process produced 15 codes across three analytical domains:

Table 7. Codes by Analytical Domain

	Labor Markets	**Organizations**	**Status Groups**
	Education	Accreditation	Prospective Students
	General/Un-specified	Professional Occupational Associations	Current Students
	Public Sector	Investment	Market
	Technology	Enrollment	
	Healthcare	Tuition	
	Military	Faculty	

Additionally, this project aims to also consider how expansion relates to stratification. Seven additional codes were constructed from extant literature to capture the enabling conditions of educational expansion:

Table 8. Codes, Enabling Conditions

Credential spirals	Expansion projections
Financialization	Expansion strategies
Qualitative Labor Market Changes	

Data Sources

Data were selected by considering the most critical point of organizational-audience engagement for each of the audiences of interest. SEC prospectuses are the means by which shareholder for-profit colleges become shareholder organizations. The SEC not only grants the organization regulatory legitimacy, but it also communicates the organization's narrative to potential investors. Data are from the SEC prospectuses filed by every for-profit college between 1995 and 2009. 1995 coincides with the Wall Street Era's period of 1994 to present.

The data are a complete census of all such filings listed by the SEC with the unique industry sector code "Educational-Services". I excluded non-credentialing organizations in the sector. This included test-prep organization, tutors and educational media companies. I focused only on organizations that could confer certificate, associates, bachelors, masters, doctoral, and professional degrees as identified in their prospectuses. The initial list of organizations had 19 such organizations. After an initial phase of organizing the data for a customized database, I eliminated two organizations and adjusted a third. The 1995 filing by Concorde Career Colleges was filed to de-list the organization and not to seek regulatory approval to continue operation. The 1999 filing from Graham Holdings, Incorporated was a third party stock issuance on behalf of The Washington Post. The Washington Post was, and remains, the controlling interest in Kaplan Education. The filing only includes Kaplan as one of The Washington Post's business interests. It does not provide details similar to the other prospectuses, e.g. organizational structure, marketing position, etc. Instead a 2011 prospectus was filed specifically for Kaplan. That prospectus follows the same format and genre of the other prospectuses. I removed Graham Holdings from the analysis and replaced it with the

Kaplan specific prospectus. This changes the year filed, which I use in later analysis to place findings from the prospectuses in set of other political and economic conditions. Where necessary, I will account for the fact that Kaplan existed prior to 2011 but significantly reorganized in that year. I did this by including financial investment news on Kaplan published in financial media between 1999 and 2000. The final list of shareholder for-profit colleges analyzed looks like this:

Table 9. Shareholder For-Profit Colleges, SEC Prospectuses, By Year

Filing Name	Brand Name (If Different)	Year Filed
American Public University	N/A	2007
Apollo Group	The University of Phoenix	1995
Argosy Education Group	American Schools of Professional Psychology; University of Sarasota; Medical Institute of Minnesota	1999
Bridgepoint Educational Services	Ashford University	2009
Capella	N/A	2006
Career Education Corporation	Al Collins Graphic Design School; Brooks College; Allentown Business School; The Katharine Gibbs Schools	1998
Corinthian Colleges	Concord College; Southern Career Institute	1995
KGSM	Everest College	1999
Education Management Corporation	DeVry Institutes	1995
Education Management, LLC	The Art Institutes; New York Restaurant School; National Center for Professional Development	1996
EduTrek	The Art Institutes; Argosy University; Brown Mackie College; South University	2006
Kaplan	N/A	2011
Grand Canyon Colleges	N/A	1999
ITT Technical Institutes	N/A	2008
Lincoln Educational Services	N/A	1998
Sonoma College, Inc.	Lincoln Technical Institute; Nashville Auto-Diesel College; Career Education Institute	2005
Strayer University	N/A	2006
Universal Technical Institute	N/A	1996

The prospectuses range from 19 to 69 pages in length. They include information on the organizational structure of the corporate entity, organizational practices, student data, tuition costs, faculty/administration structure, financial solvency, accounting practices, and marketing strategies.

Data from legitimation accounts presented to student audiences were collected from the enrollment process at nine for-profit colleges. The fieldwork was conducted over nine months in 2013. I bound the prospective student process from first point of contact (via telephone or an online inquiry) through the campus tour, interview with an enrollment counselor, and concluding with the first opportunity to formally enroll. I participated until the point of committing federal fraud, i.e. before signing an enrollment agreement or financial aid applications. As other researchers have done, I resist theorizing the for-profit sector as homogenous. The Institute for Higher Education Policy (2012) proposed a more detailed classification matrix to organize research of for-profit colleges. The matrix accounts for institutional size, geography, and highest degree conferred. (Appendix B) I use this matrix to comprise a sample of for-profit colleges that represents the sector's diversity. With a list of nine for-profit colleges, one each representing a classification sub-type from the IHEP classification system, I began the prospective student enrollment process for each institution. I used the same contact, demographic and identifying information for the prospective student enrollment process (PSEP) at each institution. I used my real name, age, interests and so on. I did not have to misrepresent my educational background or deceive any actors as there was never an opportunity to discuss my educational biography in detail (as will be discussed in the findings). For each PSEP I endeavored to let the organizational process carry me along. That is, I offered but a few token objections to meeting or taking a tour. The utility of one's social resources in institutional exchanges is the extent to which a match between the two maximizes the efficiency of the interaction (Deil Amen and Rosenbaum 2003; Rosenbaum, Deil Amen and Person 2007). I affected the student type that the for-profit colleges had come to know and presumably designed their organizational processes to enroll. Data included field notes and marketing materials provided me during the campus tour:

Table 10. Data Collection During Prospective Student Enrollment Process

Point of Contact	Data Collection Method
Phone Call Requesting Information	Fieldnotes
Online Information Request	Photo documentation Fieldnotes of online form content and email follow-ups from for-profit college actors
Outbound Phone Calls from FP Actors	Fieldnotes
Campus Tour	Fieldnotes Admissions and Marketing Materials

Once these data were collected they were treated as discursive texts, same as the SEC prospectuses.

Methods

Case studies and qualitative methods tend to have strong validity but can have weaker reliability. Clear operationalization of codes and detailed codebook (Appendix C) help to account for reliability issues and increases the validity of the findings. For example, I delineate structural capacity for enrollment or faculty hiring from the organizational processes of recruitment and faculty management. Treating each prospectus as a case with an institutional narrative produced by multiple extra-institutional conditions for specific audiences lends itself to content analysis. Content analysis can be both quantitative (e.g. frequency counts) and qualitative (e.g. thematic sense-making of systematic patterns). Each has strengths and weaknesses that are mitigated considerably when used in conjunction.

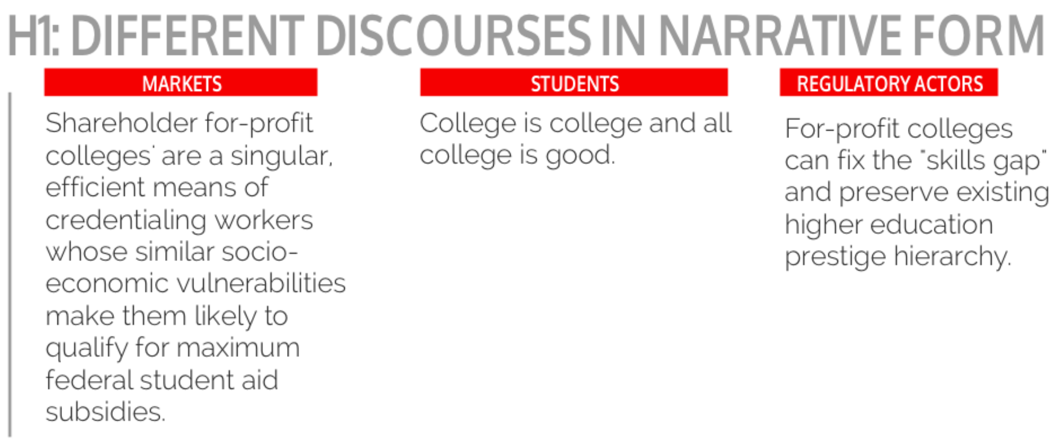
After structuring a clear coding scheme using analogous examples from theory and previous studies to make as many distinctions as possible, the content is coded using thematic “chunks” (Zhang and Wildemuth 2005). Themes can be expressed in a single word or in entire paragraphs. The act of chunking a master document into units of data for analysis is to assign a code to a chunk of any size, "as long as that chunk represents a single theme" (Zhang and Wildemuth 2005:3). I pay attention to grammar and semiotics to increase reliability of chunks as units of analysis. For example, transitional phrases are commonly used to link ideas conceptually. I coded with attention to transitional phrases to isolate chunks. Similar choices are detailed in my codebook.

All of the data were assembled using a software analysis program called Dedoose. For chapter three, prospectuses averaged 41 pages in length. 1,420 excerpts or chunks were extracted from the documents and coded. For chapter four, there were nine texts, one for each for-profit college in the study. Frequency counts are a first wave of analysis to identify patterns broadly for further, qualitative analysis. After conducting this analysis for each analytical domain of interest, I turned to the relationship between these themes. To observe this, I isolated frequencies of co-occurrence (Popping 2012). Co-occurrence examines the frequency with which some codes appear in conjunction in each institutional narrative and across all the institutional narratives (see co-occurrence frequencies in Appendix B). With further analysis of these incidents of co-occurrence, I can determine how some processes, like accreditation, are positioned relative to other important mechanisms like status groups and labor market correspondence. Frequency counts of co-occurrence of codes allow additional analysis of these patterns. When codes appear simultaneously with high frequency, it signaled greater qualitative analysis of relational patterns. Next, I present a summary of key findings and subsequent chapters provide more detailed analysis of the legitimation accounts produced for markets and students.

Summary Findings

Consistent with hypothesis 1, I find that for-profit colleges produced different legitimation accounts for different audiences. This is consistent with organizations that do not conform to normative assumptions. In narrative form, these legitimation accounts are:

Figure 5. Different Discourses in Narrative Form, By Audience



With hypothesis one confirmed, hypotheses one and two can be summarized as:

Table 11. H1 and H2: Discursive Forms, By Analytical Domain and Audience

	Status Cultures	Labor Markets	Organizations
SEC	+	+	-
Enrollment	n/a	n/a	n/a
Legal Actions	+	+	n/a

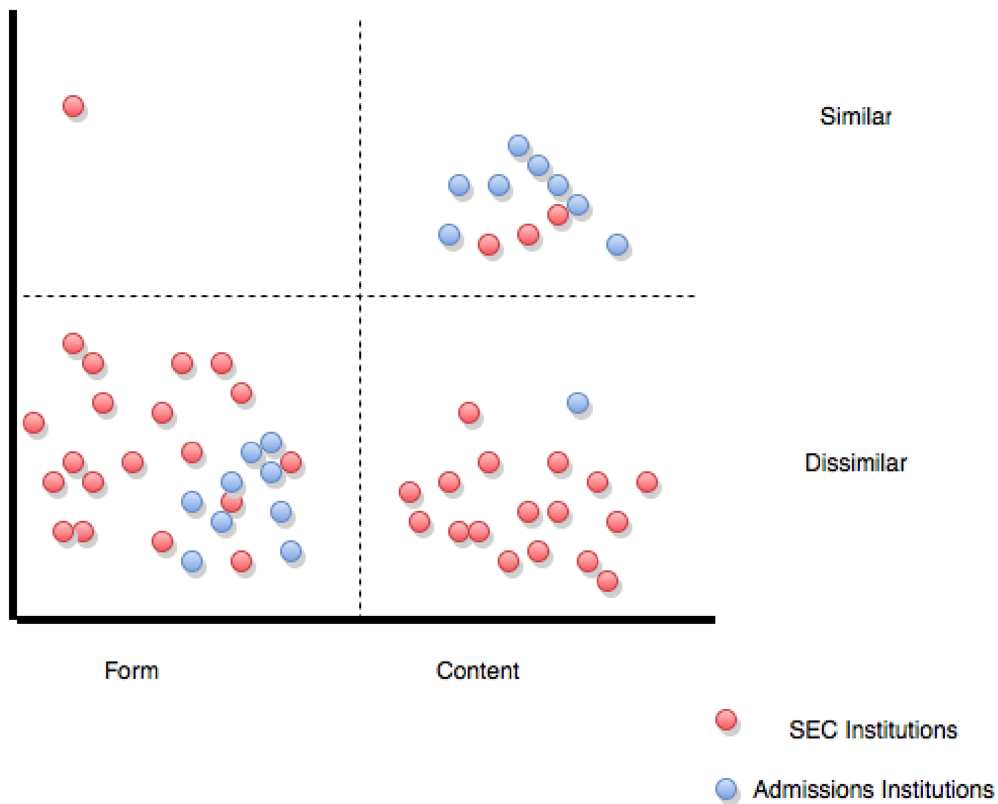
This table shows that these for-profit colleges used forms of justification with discourse about status cultures and labor markets for the SEC audience but not justify its organizational relationships or structure. Instead, these for-profit colleges used discursive strategies consistent with taken-for-grantedness in presenting data on its organizational structure, processes and relationships. For example, for-profit colleges did not justify spending more money on enrollment officers than on faculty or instruction. I attribute this to the financialized norm of minimizing capital expenditures and maximizing revenue seeking. Because this is normal for shareholder organizations operating under market logics, these shareholder for-profit colleges could leverage that taken-for-grantedness in ways that it could not for why it enrolls certain status groups or corresponds with specific occupational groups. I did not expect justifications to be presented during the enrollment process because extant literature (U.S. Senate 2012) had already showed that this process at for-profit colleges is distinct from the traditional college admissions process. I did analyze these data to confirm that and found no evidence of justification forms in marketing and enrollment data. Regulatory actors, as one might expect, critiqued the legitimation account of for-profit colleges for preying on vulnerable status groups and over-promising labor market correspondence. Next, I considered hypothesis three:

Table 12. H3: Comparative Account Strategies, By Analytical Domain and Audience

	Status Cultures	Labor Markets	Organizations
SEC	+	+	-
Enrollment	+	-	-
Legal Actions	+	+	+

These for-profit colleges used comparative account strategies to define its unique market position to market audiences. They also used comparative account strategies student audiences but far less frequently and with greater variation among the institutions that I observed. When these for-profit colleges did use this strategy for student audiences, it was to draw a distinction about for-profit colleges being more serious than traditional colleges. Again, as one might expect, regulatory actors used comparative account strategies to delineate for-profit colleges as non-normative for the students they pursue, the labor markets in which they promise employment and mobility, and the organizational structure that minimizes instructional spending but maximizes marketing spending. Finally, the following shows uses code frequency counts to locate each institutional narrative in the proposed theoretical framework:

Figure 6. Form and Content Strategies of Legitimation Accounts, By Audience



This chapter shows how credentialing theory understands the three analytical domains important to educational expansion. I refine that theoretical model to include mechanisms for legitimacy, which is critical to educational expansion. This chapter also details the research design for this project. I use a disciplined interpret case study design. This case study design aims to refine existing theory and observational mechanisms. Drawing on recent studies of legitimacy, I propose three hypotheses of how for-profit colleges should negotiate legitimacy. Finally, I present summary findings. In the next chapter, I present detailed findings on qualitative and quantitative content analysis SEC prospectuses data.

CHAPTER THREE: LEGITIMATION ACCOUNTS FOR MARKETS AND REGULATORS

To explore how and why credential expansion occurred in the market, I look at the sector's blueprints for expansion. Shareholder organizations "symbolize the defining characteristic of the current era" of for-profit higher education (Kinser 2006:39). Because the Securities and Exchange Commission regulates shareholder organizations they have become a "significant source of regulation for the for-profit sector" (Kinser 2006:118). The U.S. Securities and Exchange Commission (SEC) is an agency of the United States federal government. It holds primary responsibility for enforcing the federal securities laws, proposing securities rules, and regulating the securities industry, the nation's stock and options exchanges, and other activities and organizations, including the electronic securities markets in the United States. Shareholder for-profit colleges are the largest and most defining of the sector's rapid growth. 1.4 million out of 2 million total for-profit college students attend a college owned by a publicly traded company (U.S. Senate HELP). Shareholder for-profit colleges also account for the lion's share of the sector's revenue:

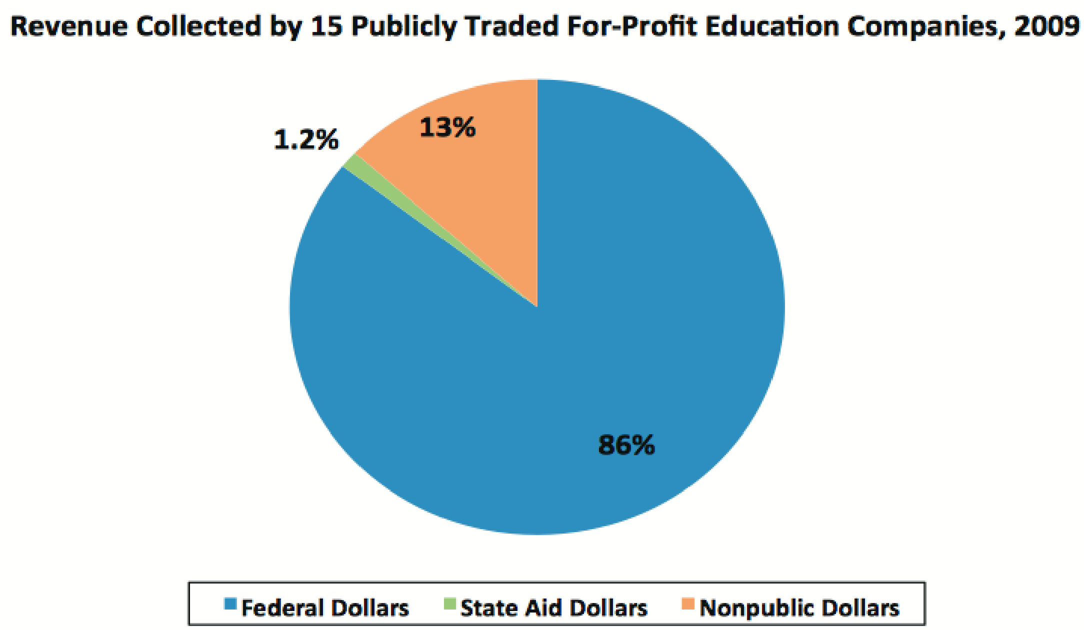


Figure 7. Revenue Collected by 15 Publicly Traded For-Profit Education Companies, 2009, By Revenue Source (From U.S. Senate HELP, 2013)

To study shareholder for-profit colleges is to study the defining organizational form responsible for the explosive enrollment and revenue growth that has preceded public debates about the sector's legitimacy. Because the sector's legitimacy is in flux we should expect to see: discursive attempts at comparative accounts with hegemonic legitimation accounts of higher education (H3) and discourses that leverage correspondences with professions and minimize public good discourses (H2). And, because credential expansion is the macro context of these discursive practices, we should see these comparative accounts as the sector discusses status cultures, labor markets, and extra-institutional organizational actors.

Findings

These for-profit colleges use comparative accounts with traditional higher education to define the sector's competitive advantage with underserved status groups. These institutions rarely engage the legitimacy accounts of community colleges as public hubs for personal as well as professional advancement. Contrary to the hypothesis that for-profit colleges would maximize correspondence with professional organizations, there is little to no evidence that this happened. Instead, for-profit colleges constructed an account of their correspondence with macro ideological trends, especially financialization and "skills gaps". Skills gaps refer to the hegemonic narrative that millions of jobs go unfilled because there are not enough skilled workers to fill them[15]. A robust literature challenges the extent to which this is objectively true. But, it is true that the skills gap has subjective value. These ideologies of financializing routine activities (i.e. "invest in your future through secured and unsecured tuition debt") and skills gaps did the discursive work that professional organizations performed in Brown's case study. Next, I present data and analysis of the discursive construction of legitimation accounts across four analytical themes[16]: accreditation agencies, extra-institutional actors, labor markets, and status groups.

Accreditation

Accreditation is viewed by many in the general public as a keeper of the public trust in higher education institutions. That idea emerged in the 20th century when accreditation agencies formed precisely to exert the interests of elite universities on the expansion of new land grant colleges (Brown 2001). On it's list of approved accreditation

---

[15] Much of the debate about the extent to which there is an actual skills gap in the labor market can be read in Autor 2014 versus Kallerberg 2011. These are primarily debates about the extent to which ours is a period of down period of cyclical economic job growth or technological change has decimated middle skills jobs, respectively. I tend to fall in line with Kallerberg but neither argues that skills gaps exist the way popular discourse (especially among politicians) frame it. Instead, the empirical debate is about the extent to which there is structural change in the labor market. There is a general consensus that there are fewer middle skill (or middle class) jobs than there are those with credentials that qualify them for such jobs.

[16] Accreditation agencies are extra-institutional actors, but because these agencies figure so prominently in extant literature I treated them separately. Analytically, this still conforms to the three domains of credentialing theory.

agencies, the Department of Education ("ED") says, "The goal of accreditation is to ensure that education provided by institutions of higher education meets acceptable levels of quality" (2014). But, as critics have noted, accreditation agencies are poorly staffed or equipped to police individual institutions. And even if they did have policing capacity, accreditation is a voluntary membership organization supported by member fees. The Southern Association of Colleges and Schools Commission on Colleges says in its policy statement that, "a high percentage of the operational costs [of the organization] is met by annual institutional dues." There is a tension between serving the agency's external role of quality gatekeeper and keeping its membership rolls healthy. Because that tension is shrouded in institutional myths and bureaucratic distance, even among academics there is a lot of confusion about what accreditation does and does not do. To qualify to process federal student aid funds an institution has to be accredited. There are thirty national and seven regional accreditation agencies in the U.S. The Department of Education reinforces the public view that accreditation agencies police institutional quality. But quality measures are always a contentious, convoluted metric in measuring education and accreditation processes do not have a singular definition.

For an idea of how diverse these accreditation agencies are I take three to compare their processes. Each of these accreditation agencies are recognized by the ED. Earning accreditation through any of them would qualify a for-profit college to access student aid funds. The Accrediting Commission of Career Schools and Colleges says it accredits, "postsecondary, non-degree-granting institutions and degree-granting institutions that are predominantly organized to educate students for occupational, trade and technical careers". The initial application for accreditation requires institutions to attest that the process is voluntary, that the institution will abide by the association's by-laws, and that several statements of the institution's financial solvency. The application fee is $500. The application also asks if the college has achieved state approval to confer credentials and if any of the school's executive committee members have been party to an institution that previously had its accreditation revoked. The addendum on faculty is two pages long. It asks for faculty's assigned courses and ongoing professional development activities. According to a description of the accreditation process, school self-reports and campus site visits round out observations for the application. Quality measures in this application are heavy on financial solvency measures and light on metrics like faculty educational credentials or student learning assessments. But, once accreditation is earned, a member institution of the Accrediting Commission of Career Schools and Colleges will have met an important criterion for the ED's student aid programs.

The Accrediting Council for Independent Colleges and Universities bills itself as the nation's oldest national accreditation agencies and only one of "two national accreditation agencies recognized by the U.S. Department of Education." ACICS lists minimum requirements for institutions to apply for membership. Of the nine minimum requirements three relate to financial and legal solvency. One criterion requires that an institution must have "its mission…to offer educational programs which help students develop skills and competencies to enhance their careers." Other criteria include having enough scale – in programs and graduates – to assess their program quality. The application fee varies based on various institutional characteristics. But, selecting all "Initial application" options registered a $4500 fee. The organization website warns that fees in excess of $40,000 triggers the online system to bypass using a corporate check to remit payment. It is unclear if accreditation application fees can exceed $40,000.

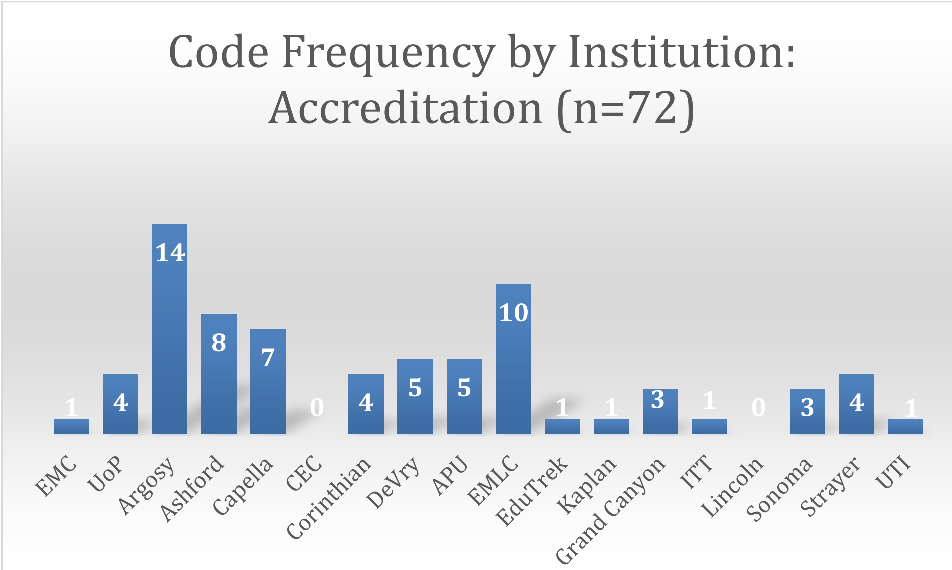
The Southern Association of Colleges and Schools Commission on Colleges is a regional accrediting agency. Its membership includes prestigious not-for-profit traditional institutions as well as a few for-profit institutions. The application process here is more stringent, at least bureaucratically. To apply, institutions must first attend a mandatory applicant workshop. At the other two accreditation agencies detailed above these pre-applicant workshops were suggested but not mandatory. The application requires details like organizational charts, faculty qualifications (including an addendum to list specific academic credentials), course catalog descriptions, library/learning resource measurements (number of volumes, seating capacity, technology capacity), library staff, and adherence with a credit hour system of credit accumulation. The schedule of application fees includes costs for site visits (with lunch) and fees for the mandatory pre-applicant workshop. To file for SACS accreditation an institution would submit payment for $13,000.

Brown found that membership groups like accreditation agencies exerted legitimation authority that shaped the expansion of higher education credentials in the early 20th century. Since then, accreditation agencies have proliferated and differentiated. National accreditation agencies are responsible for “all the non-degree-granting [for-profit] institutions” (Kinser 2006:106). Regional accreditation agencies account for nearly half of all accredited for-profit degree granting institutions. Some for-profits have multiple accreditations but it is mostly true that national accreditation serves down-market (sub-baccalaureate) institutions and regional accreditation serves degree granting up-market institutions. National accreditation appears to be less expensive to pursue, both in application fees and resource costs of meeting eligibility requirements like maintaining library spaces. Accreditation matters to student mobility because member institutions frequently only recognize transfer hours from institutions that share their accreditation status. This is likely more of a type of sector closure for nationally accredited down market for-profit colleges because two year degree students are more likely to seek transfers to complete bachelors degrees (Kinser 2006). Accreditation activities in the aggregate would follow Brown's findings while different patterns of legitimation between national and regional accredited institutions would evidence a mechanism not just for expansion but also differentiation.

Because accreditation is so important to an institution's access to federal revenue streams, presumably the institutions would attend to accreditation to perform legitimacy for investors and regulators. But, because accreditation is also a political mechanism to exert extra-institutional authority of organizations they may be hesitant to compete for legitimacy in this way. The accreditation code captured every mention of an accreditation agency and any reference to the accreditation process. I begin by looking at the centrality of accreditation to the for-profit college narrative as presented to financial classes and regulatory bodies. All but two institutions have at least one reference to accreditation: Career Education Corporation and Lincoln Educational Services. At the time of the filing, CEC focused almost exclusively on sub-baccalaureate degree programs and certificate programs in four applied fields: "(i) computer technologies, (ii) visual communication and design technologies, (iii) business studies and (iv) culinary arts." Lincoln Education Services Corporation owned six brands that offered "degree and diploma programs in four principal areas of study: automotive technology, allied health (which includes programs for medical administrative assistants, medical assistants, pharmacy technicians and massage therapists), skilled trades and business and information technology”. Both of these school-corporations’ offerings were primarily in sub-baccalaureate degrees and applied occupational fields. More specifically, each school-corp’s majority of all degrees conferred in the year of the filing in certificate programs. CEC conferred 41% of its credentials in “business studies”[17] in 1998, the year of the SEC filing. Lincoln conferred 44.2% of its credentials in certificates in automotive technology in the year it filed, 2005. The sixteen remaining school-corps each mention accreditation with differences in frequency and context:

[17] “business studies” included training in office management schools generally ascribed to bureaucratic business settings. This included training in word processing and basic accounting.

Figure 8. Code Frequency by Institution, Accreditation



Those institutions that did reference accreditation primarily did so in the first paragraph of the document. Accreditation also shows again as a potential "risk factor" of doing business in a highly regulated field. Despite the risk posed by failing to meet accreditation standards, for-profit colleges consistently leveraged their accreditation to potential investors as net positive. Accreditation qualifies these institutions to partake in the Department of Education revenue stream. For-profit colleges also leveraged accreditation as a legitimacy tool for prospective students and employers. For-profit colleges, like Strayer, "consider students and employers to be our customers". Accreditation status was leveraged to the financial interests as addressing both of these key groups. The legitimacy benefit of accreditation outweighed the regulatory and financial risks of pursuing and maintaining it.

For a contrasting position we can take how for-profit colleges talk about the other forms of regulation. The "gainful employment rule" requires that all colleges (for-profit and traditional) that trade in "occupationally oriented" credentialing demonstrate that adequate job market correspondence. For-profit colleges spend a great deal of valuable space in the prospectuses talking about the risk of further regulation through gainful employment rules. These rules do pose a risk to financial investment but not arguably more risk than failing to meet accreditation standards. In fact, losing accreditation would mean jeopardizing the singular revenue stream. Failing to meet a gainful employment requirement would place an institution in various stages of probationary penalties but would not immediately bar institutions from offering federal student aid. Despite this, gainful employment is described in more dire language of risk than is accreditation. Accreditation's legitimation of for-profit college credentials buffers the extent to which institutions are willing to cast it as a business risk.

Next I observed codes by national versus regional accreditation. Kinser notes that many for-profit colleges have procured regional accreditation. That holds true for these for-profit colleges. Eleven of the 18 institutions have regional accreditation

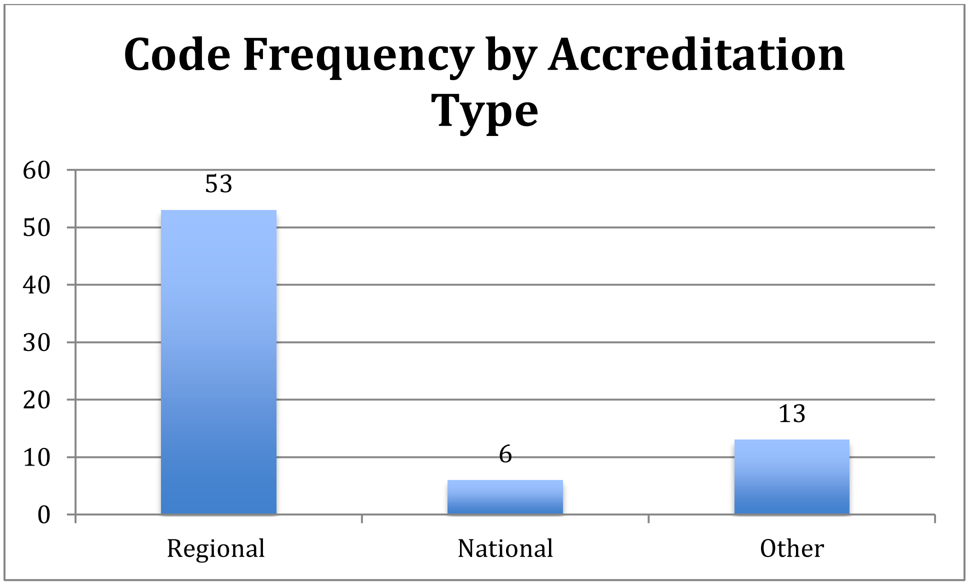
Table 13. Accreditation Status by Type

Regional	National	Non-Applicable	Other
11	3	2	2

"Other" includes various occupation accreditation agencies. N/A means that at the time of filing the institution listed no accreditation status and I was unable to confirm differently using various other sources.

Of those with regional accreditation, the Higher Learning Commission of North Central Colleges accredits nine of the 11. Given the weighting of regionally accredited institutions in this group it is no surprise that majority of accreditation codes appear among regionally accredited institutions:

Figure 9. Code Frequency by Accreditation Type



Qualitative analysis reveals more here than does quantitative analysis. I extracted all of the accreditation codes, combined institutions into three categorical groups (regional, national, and other) to conduct additional thematic qualitative analysis. National accreditation does not figure prominently in the positioning with financial audiences. The three institutions with national accreditation only mention the status relative to complying with Department of Education guidelines as in, “failure to maintain our accreditation could have an adverse affect on our ability to meet projections” (ITT). Corinthian signals that accreditation seeking is a growth plan: Establishing additional locations rather than opening new colleges also allows the Company to become eligible for Title IV funding and accreditation more expeditiously.”

For-profit colleges invested valuable prospectus real estate in educating financial audiences to the prestige differences in regional versus national accreditation. As Kinser explains, for almost the entirety of its history with accreditation differentiation, regional accreditation has been perceived as more prestigious. The difference was significant enough that for-profit colleges waged legal battles and political campaigns to level access to regional accreditation (Kinser 2006). That perception was true for these institutions. Grand Canyon touts its regional accreditation as the reason that financial investors purchased it as a failing not-for-profit college. The University of Phoenix juxtaposes its regional accreditation with status groups, saying that the former makes the school uniquely capable of meeting the "unique needs" of non-traditional students. Regional accreditation is legitimacy standard for those for-profit colleges who had it. Regional accreditation also figured into corporate shareholder growth strategies. Corinthian Colleges says it will pursue "failing schools with regional accreditation" as part of its acquisition strategy. By the end of the 1990s venture capital spurred for-profit take-overs of ailing not-for-profit colleges in part because they had name recognition and regional accreditation. An example is Grand Canyon College and Ashford University. A shareholder corporation was formed in 2002 specifically to purchase then not-for-profit Grand Canyon College in Phoenix, Arizona. In 2005 a group of California-led investors purchased a not-for-profit college in Iowa and transformed it into for-profit Ashford University. In both instances, the regional accreditation of the existing colleges was a selling point for investors and points of contention among for-profit college detractors.

What is interesting is which regional accreditation these for-profit colleges pursued. Earlier in the Wall Street Era there were two attempts to earn accreditation from existing regional accreditors like SACS. By the middle of the era's expansion there is a shift in regional accreditation to the Higher Learning Commission of North Central Colleges. When SACS placed the predecessor of current InterContinental University (EduTrek) on probation the corporate ownership decided to pursue accreditation from the

Higher Learning Commission (HLC) instead. Filings at the time cited the HLC as “more aware” the specific conditions of colleges that confer degrees online. However, at the time, EduTrek’s enrollment and stated growth strategy was on-campus instruction for international students and U.S. students seeking a safe “international” experience. On-campus and in-person modes of instruction figure prominently in EduTrek’s prospectus. This suggests that the accreditation switch was less about the HLC’s compatibility with online degrees and more with the HLC’s welcoming environment for non-traditional colleges. The North Central Association was organized in 1895 at a meeting of 36 administrators of schools, colleges, and universities located in seven Midwestern states. The association's original objective was "the establishment of close relations between the colleges and secondary schools." Better articulation between the two levels of education was a particular focus, something noted as critical to credential expansion in Brown’s case study (2006). But by the year 2000, HLC had formed a secondary division that would certify post-secondary institutions. In the year 2000, the only institutions seeking regional accreditation in numbers significant enough to warrant a new regional accreditation body where for-profit colleges. As such, the conditions were ripe for HLC to conform its standards to for-profit colleges’ specific needs. Those needs include quality criteria that do not conflict with the sector’s imperative to keep institutional overhead low. Library holdings, for example, require expensive real estate holdings. Low real estate costs are one of the most frequently cited innovations of for-profit colleges (Tierney and Hentscke 2007). HLC allowed for-profit colleges to obtain the more prestigious regional accreditation designation without compromising shareholder responsibility for keeping overhead costs low. An analysis of HLC’s library compliance strategy (Morrison and Nelson 2007) argues that HLC's standards are "intentionally general" and place "less emphasis on quantifiable and arbitrary inputs and more emphasis on institutional effectiveness and assessment of student learning". Tierney (2010) says student assessment and institutional data are for-profit college strengths. A regional accreditor that privileges for-profit colleges' strengths would presumably be attractive to shareholder interests.

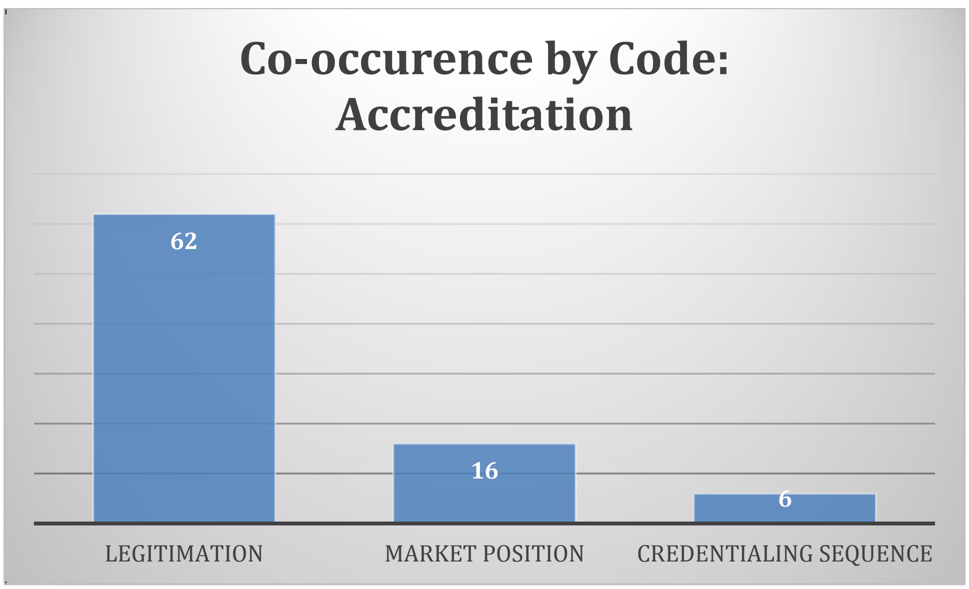
The conflict between normative ideals of institutional quality and HLC's standards came to a head later with its admission of Intercontinental University to its membership. In a letter dated December 17, 2009, Wanda A. Scott, an Assistant Inspector General of the United States Department of Education reported on an inspection of the Higher Learning Commission of the North Central Association of Colleges and Schools' (HLC) standards for program length and credit hours, and "identified a serious issue" wherein HLC had found problems in American InterContinental University's (AIU) assignment of credit hours where bachelor's courses were inflated relative to common practice, yet HLC granted full accreditation to AIU. Scott wrote, "This action by HLC is not in the best interest of students and calls into question whether the accrediting decisions made by HLC should be relied upon by the Department of Education when assisting students to obtain quality education through the Title IV programs." In a later letter to the HLC, Scott remarked that, "We recommended that OPE [the Office of Postsecondary Education] determine whether HLC is in compliance with 34 C.F.R Part 602 and, if not, take appropriate action under 34 C.F.R. Part 602 to limit, suspend, or terminate HLC's recognition by the Secretary." Sylvia Manning, President of the HLC, in a letter dated March 17, 2010, responded to Scott's letter saying that the Inspector

General's office failed to take into consideration that HLC's accreditation of AIU was conditional and limited, and was not a full accreditation, as reported by Scott. In the end, the ED appeared to not have the stomach to sanction accreditation agencies. Intercontinental University became a member of HLC. HLC remains a certified agency for ED purposes. And Intercontinental remains eligible to offer federal student aid programs.

Another way to think about accreditation’s frequency in these institutional narratives is to observe how often the code co-occurs with other codes. I will call this co-occurrence (Popping 2012). Co-occurrence examines the frequency with which some codes appear in conjunction in each institutional narrative and across all the institutional narratives. With further analysis of these incidents of co-occurrence, I can determine how some processes, like accreditation, are positioned relative to other important mechanisms like status groups and labor market correspondence. Frequency counts of co-occurrence of codes allow additional analysis of these patterns. When codes appear simultaneously with high frequency, it signaled greater qualitative analysis of relational patterns. For example, the following cross-tabs of co-occurrence of codes shows that institutions legitimized their strategic plans for growth (a shareholder organization imperative) in conjunction with specific references to status groups (Appendix B; co-occurrence frequency counts are denoted by shading, light to dark).

The accreditation code has 147 counts of code co-occurrence. Legitimation processes included references to extra institutional actors (e.g. State agencies) and legitimation processes similar to those in the credentialing literature (e.g. occupational legitimacy). Market position includes how for-profit colleges describe their success at and plans for credential growth (i.e. proliferation) and statements of their institutional prowess in financialized terms (e.g. "we increase margins by leveraging fixed costs at school and headquarters levels"). The market position is how the schools described and signaled both their ability to expand revenue capture and to do so in accordance with norms of credential production. Frequency counts for accreditation co-occurred most frequently with counts for legitimation, market positioning, and growth strategies for status groups:

Figure 10. Co-occurrence by Code: Accreditation



Further qualitative analysis of those relationships finds that despite the high expense of pursuing accreditation and the sector's contentious relationship with accreditation guidelines, for-profits seeing regulatory legitimacy lead with their accreditation status. All of the prospectuses mention accreditation in their introduction description like Universal Technical Institute's statement: "All of our undergraduate programs are accredited and eligible for federal Title IV financial aid." Some schools, like Strayer, go further to put the accreditation status in context for financial and regulatory audiences:

> Middle States is the same accrediting agency that grants institutional accreditation to other degree-granting public and private colleges and universities in its region. Accreditation by Middle States is an important attribute of the College. College and university administrators depend on accreditation in evaluating transfers of credit and applications to graduate schools. Employers rely on the accredited status of institutions when evaluating a candidate's credentials, and parents and high school counselors look to accreditation for assurance that an institution has quality educational standards. Moreover, scholarship commissions often restrict their awards to students attending accredited institutions, and institutional accreditation is necessary to qualify for eligibility for federal student financial assistance.

The institutions that can do so make a further legitimacy distinction by national versus regional accreditation agencies. DeVry goes further saying that the distinction is an important symbol for students and hiring managers:

> Although regional accreditation in the United States is a voluntary process designed to promote educational quality and improvement, it is an important strength of the DeVRY Institutes, providing significant advantages over most other for-profit colleges. College and university administrators depend on the accredited status of an institution in evaluating transfers of credit and applications to graduate schools. Employers rely on the accredited status of an institution when evaluating a candidate's credentials, and parents and high school counselors look to accreditation for assurance that an institution meets quality educational standards. Moreover, accreditation is necessary for students to qualify for eligibility for federal financial assistance. Also, most scholarship commissions restrict their awards to students attending accredited institutions.

For-profit colleges, like most schools that confer credentials and accept student aid funds, must navigate multiple regulatory agencies. Second to accreditation, state authorization processes are the most frequently occurring extra-institutional actor with legitimation authority. Here, too, regional accreditation is positioned as a gold standard signal to financial and regulatory audiences. Regional accreditation is perceived as more strenuous and more rare among for-profit colleges. To buffer concerns about an institution's projected access to student aid and market position should "institutional reputation be damaged by increased media scrutiny of proprietary colleges", American Public University leverages its regional accreditation. APU says that state authorization can be cumbersome to maintain, a potential drawback for investors, if they "we maintain [their] regional accreditation, we will likely remain in good standing with the West Virginia Higher Education Policy Commission."

For-profit colleges may have a contentious relationship with accreditation standards but when legitimacy is at stake, every for-profit college leverages its accreditation as a symbol of moral and pragmatic legitimacy. Accreditation agencies have variable and differing requirements that may have very different impacts on revenue and regulatory compliance. Those differences, such as projected capital expenditures for library holdings, is never discussed in these institutional narratives. When possible, for-profit colleges signal how similar they are to not-for-profit traditional institution's legitimacy by clearly articulating they hold similar regional accreditations. EduTrek's branded school "The American College" proclaims in its prospectus that it in 1987, it became "the first for-profit four-year university to be accredited by SACS, one of six regional accrediting agencies recognized by the U.S. Department of Education." That would make The American College an institutional peer of traditional universities like Emory University and Duke University.

Each of the institutions give sufficient proclamations (incentivized by SEC disclosure guidelines) that accreditation is expensive and for-profit colleges are subject to scrutiny that traditional colleges are not. In Senate Hearings for-profit colleges have criticized accreditation agencies for restraining experimental higher education products that could better serve non-traditional students (GAO 2013). Researchers with the conservative think take The Heritage Foundation released a recent paper calling for "removing the barrier to higher education reform", i.e. accreditation. They argue that "entrepreneurial educators are attempting to resolve this dilemma by using new business models and new ways of learning" that could "slash the cost of education" (2012:1) were it not for accreditation agencies. Economist George Leef argues that accreditation impedes disruptive innovation in the staid, elitist institutional field of higher education (2006). Were accreditation standards relaxed for market processes to innovate, profit-driven institutions could provide more cost-effect efficient forms of credentialing. Despite this, when they can, for-profit colleges court staid, elitist accreditation agencies as a signal of moral legitimacy, revenue growth, and institutional stability for critical financial and regulatory actors.

Extra-Institutional Actors and Legitimacy

Previous literature on for-profit colleges presents a fairly consistent list of the extra-institutional actors important to the sector's rapid expansion. They include: accreditation agencies, employers, the Department of Education, and state regulation agencies. I began with accreditation because it is the most consistently cited extra-institutional actor in the literature. But, other extra-institutional actors provide legitimation mechanisms for credentialing organizations. For human capital theorists, labor markets and consumer demand are the most critical external measures of legitimation. Consumers vote with their feet and because they are rational actors, they vote in correspondence with labor markets. In contrast, credentialing theory has shown that extra-institutional actors like professional organizations (e.g. American Medical Association) can exert influence over credentialing that conditions students' and labor market behaviors. For example, Brown shows how the professionalization of “human resources” routinized recruitment processes at employment organizations. Their influence as gatekeepers to labor market entry stimulated formal credentialing at colleges and universities. The apparent correspondence between credentials and efficient labor market entry conditioned group behavior, producing demand for college admissions.

I used the coding for extra institutional actors to capture every actor external to the for-profit college, SEC and accreditation agencies in the prospectuses. There were 183 instances of extra institutional actors across these 18 institutional narratives. Of those 183 I assembled a list of each unique actor:

Table 14. Unique Extra-Institutional Actors, minus SEC and Institutional Accreditation

NYC Fire Department	Transfer institutions
Accrediting Bureau of Health Education Schools	Parents
Higher Education Division of the California Bureau of Private Post-Secondary Vocational Education	High School Counselors
Arizona State Board for Private Postsecondary Education	Secretary of Education
Employers	NCES
Health Care Systems (ee)	Census
School Districts (ee)	American Council on Education
Emergency services providers (ee)	Congressional committees
Association of Collegiate Business Schools and Programs	Bureau of Labor Statistics
Commission on Collegiate Nursing Education	US Department of Labor
Commission on Accreditation of Athletic Training Education	Original Equipment Manufactors (Automotive Industry Owners and Manufacturers)
State bonding and licensing requirements	Public Relations firm
Financial Aid Management for Education, Inc	Fortune 500 companies (ee)
Education Loan Processing, Inc.	Institute for Professional Development non-traditional college partners
Unger and Associates, Inc	Temporary and Permanent Staffing Agencies
ED regulations	Advisory councils
Germanna Community College	"professional default management firms"
Northern Virginia Community College	Software distributors
Prince George's Community College	Mercer LLC Global Consulting Firm on "human capital assets"
Scholarship Commissions	Pearl Meyer & Partners compensation consultants
Graduate school admissions boards	Pricewaterhousecoopers
Eduventures	Council for Interior Design Accreditation
The Internet	American Culinary Federation
American School of Professional Psychology	Canada Student loan program

I excluded the Securities and Exchange Commission because it is the primary audience for the prospectuses. I also excluded institutional accreditation agencies because they were treated separately. I consider regional and national accreditation agencies to be institutional accreditors, meaning they accredit the legitimate operation of the entire credentialing organization. Program specific accreditation agencies are included in “extra institutional actors” because they vary widely across degree programs offered and an institution can be legitimate without it by conferring different degrees and programs.

Extra-institutional actors are important for legitimation environments. James Karabel credits intercollegiate sports as critical to the legitimation of Ivy League institutions. Mitchell Stevens also credits intercollegiate sports and high school guidance counselors as important gatekeepers of elite colleges’ legitimacy among prospective students, employers, and the public writ large. Brown identifies business interests, professional associations, and regional planning actors as important to credential proliferation in the early 20th century. Extra-institutional actors can exert regulatory pressure on credentialing organization, as in the case of professional organizations that license credentialed wannabe practitioners. That is the case with the American School of Professional Psychology (ASPP). ASPP certifies those with the Psychology Doctorate (Psy.D.) credential to legitimately practice applied psychology. Strayer said that “some of our students have been unable to practice” upon graduating with a credential when appropriate professional licensing bodies would not certify them. Credentialing theory proposes that extra-institutional actors also exert normative influence over credentialing schemes. For example, bureaucratic work arrangements exerted influence over the production of bachelor’s degrees at a time when high school diplomas had been sufficient for labor market entry. As the dominant mode of work, large bureaucratic corporations asserted the superiority of bachelor’s degrees as recruitment credentials. They did this through their informal associations as alumni and through formal arrangements on various types of advisory boards.

In contrast to previous literature, there is little evidence of professional organizations exerting similar influence on the legitimation accounts of these for-profit colleges. Professional organizations represent just 46 total codes across 1420 coded themes. Professional organizations show up in prospectuses as potential barriers to credentialing legitimacy only as it relates to healthcare and upmarket, or graduate, degrees. Capella says of its most popular degree program, the applied doctorate in psychology that, “Certain states have denied our graduates professional licensure because the Capella University program from which they graduated did not have a sufficient number of residency hours, did not satisfy state coursework requirements or was not accredited by a specific third party (such as the American Psychological Association).” Technology field oriented DeVRY Institutes lists professional organizations as opportunities for student activities like, “the Institute of Electrical and Electronics Engineers, the Data Processing Management Association…and several professional fraternities.” Labor market correspondence with for-profit credentials is central to the sector’s legitimacy appeals and organizational structure. In this analysis the labor market correspondence frequencies were, in order, healthcare (n=133), business (n=139), and education (n=104). The general/non-specified coding for labor market correspondence captured non-descript allusions to “employers” and should not be interpreted as a hodgepodge of occupational categories. Of the specified occupational linkages, two of the three are fields with active and influential professional organizations: healthcare and education. Their absence as a legitimation signal, given their historical importance to credential expansion, is notable.

In contrast to professional organization's low frequency, what I coded as financialization is the most frequently leveraged theme. Financialization co-occurs with legitimation 57 times of 496 occurrences. The total frequency count excludes codes extracted for illustrative purposes ("writing excerpts"). If I exclude the categorical code for "extra institutional actors" (n=66), which were all instances of such an actor and by definition a legitimation agent, this is the highest frequency of co-occurrence. I identified financialization as a characteristic of labor market conditions during the Wall Street Era of for-profit college expansion. Financialization is a "pattern of accumulation" by which profits accrue through (frequently complex) financial channels rather than through commodity and capital exchanges (Krippner 2005). Legitimation and financialization looks like broad, non-descript appeals to the labor market presented as the defining contribution of for-profit colleges. For example, Corinthian College says that it "provide[s] instruction that immediately prepares students to enter careers" and "many of the Company's programs are not offered at public institutions and are the only way students can train for particular careers". Career Education Corporation says that, "The increasing technological requirements of entry level jobs are spurring demand for specialized training which, in many cases, is not provided by traditional two-and four-year colleges." Other organizations say that "the workplace" is becoming "increasingly knowledge-intensive" and the "growing demand for skilled labor" are the uncontested province of for-profit colleges. These are similar characterizations of the labor market generally and the for-profit college organizational response uniquely. Because these legitimation symbols co-occur with statements of the organization's market competitiveness and anticipated proliferation, they merge the financialization ideology of growth/acquisitions with labor market trends. This legitimation process functions similarly to professional organizations' influence in traditional college expansion in Brown's case study. In that instance, professional organizations appealed to a taken-for-granted authority over qualitative labor market changes and designated the traditional college sector as uniquely positioned to credential appropriately. This legitimized credential production and contoured the characteristics of that production. As it pertains to for-profit colleges, financialization refers to the period in which for-profit credentialing organizations were transformed into "favorable markets" by using growth and acquisition strategies consistent with shareholder business organizations. For-profit colleges leverage their financialized approach to qualitative labor market changes as singular and pragmatic.

Status Groups and Differentiation

Brown's refinement of credentialing theory proposes that the mechanism for credential expansion can be broadly conceptualized as relating to labor markets, organizations and "status cultures". Here, I will engage Brown's conceptualization of status cultures as opposed to earlier conceptualizations by Randall Collins. Brown finds "the idea of multi-ethnic conflict as the ultimate driving force of educational expansion [to be] untenable" (1995:47). Collins' historical sociology of secondary (and to a lesser degree of treatment, higher education) expansion attributes differentiation to cultural conflict among racial and ethnic group demands on educational access. Brown's contention is that Collins overstates the centrality of ethnic conflict to school expansion and differentiation. As evidence Brown puts forth examples of relatively peaceful assimilation of Germans and Scandinavians into the U.S higher education. Not only did Germans and Scandinavians appear to have fared "reasonably well" but they were "the most active among ethnic groups in founding their own colleges" (1995:41). The extent to which ethnic conflict spurs educational differentiation depends greatly on what one defines as an "ethnic group" and, more importantly, what groups one excludes from the analysis. Brown's diminishment of status group conflict is greatly hindered by his narrow focus on ethnicity as opposed to race.

As the Germans and Scandinavians were assimilating rather peaceably in the early 20th century, blacks were also demanding greater educational access. In fact, educational access figures prominently in every black social movement in the U.S.; from freedom schools during Reconstruction to Brown versus the Board of Education during the civil rights movement. Rather than desegregate what were, by the early 20th century, institutional enclaves for the social reproduction of white elites, private and public actors inculcated the development of an entire parallel system of higher education defined by racial status. But it was the second Morrill Act in 1890 that would define the relationship between status groups, cultural ideology and higher education expansion and stratification (Grubb and Lazerson 2005; Nemec 2006). The 1890 act required land grant colleges to prove that race was not an admissions criterion or to create a separate land grant institution for persons of color. This Act spurred the rapid expansion of public higher education. When historically black colleges were founded to maintain separate institutional sectors defined by race (a status group), the African Methodist Episcopal Church and black American Baptist denominations played similarly important roles. This era of higher education expansion is most often studied for its racialized history, and for good reason. Black colleges were created as a direct response to white violence, structural marginalization and political investment in segregation (Brown and Davis

2001). However, the status group that defined this expansion overshadows that the creation of 106 historically black colleges and universities between 1875 and 1964 also represents institutional expansion and stratification. If one views status groups to include race as well as ethnicity (as every major theory of race and racism has done now since, at least, DuBois and Park), then there is reason to take seriously Collins' thesis of multi-ethnic group conflict over educational access as a condition for educational expansion and differentiation. In this analysis I treat status groups as Brown theorizes them, i.e. as a major mechanism in credentialing theory. Empirically, he treats status cultures as religious and cultural institutions. In particular, he focuses on declining church control over credential production. I observe any instances of cultural groups as status groups, but I do not expect to find much evidence of church control (unless one adheres to the idea that the market is the church, of course). Church control in market-based activities like those that define the shareholder era of for-profit credentialism has little theoretical or evidenced history to suggest it would play a role here. Instead, I invoke Collins' broader and frankly more salient interpretation of "status groups".

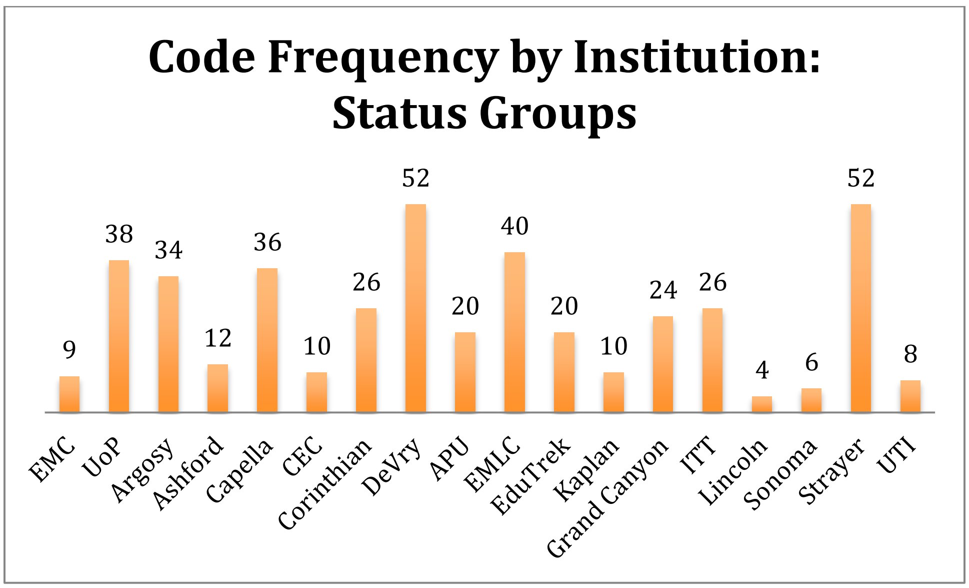
Collins treated ethnic groups specifically with some, albeit lighter, treatment of racial groups. These groups are bound together as a "status culture", with a commonly held vested interest in education as commodity or material property, by their shared relationship vis-à-vis dominant higher education status cultures. That is, immigrant students were, at one time, "non-traditional" and so were women and black students and so on. Their shared position as a status culture was defined, in large part, by their relative position to the assumed normative "traditional" student of the dominant institutional actor in higher education. In the early 20th century elite, private Ivy League colleges were the dominant institutional actor. By the mid-20th century the Ivy League remains dominant but the narrative of democratic higher education had broadened the discourse to include public colleges and even community colleges. In the conflict for status culture correspondence, for-profit colleges would be competing for the interests of status cultures that exist beyond the organizational norms of “traditional” higher education, both public and private. Like Brown, I find social types useful for examining how “ideological support of higher education must increase” by diffusing to new groups for credential expansion to occur. I draw on Regina Deil Amen to define the ideal type of traditional higher education as “our conceptions of the typical idealized college student are based on traditional notions and an imagined norm of someone who begins college immediately after high school, enrolls full-time, lives on campus, and is ready to begin college level classes” (2011:2). Status group codes were operationalized to capture how for-profit colleges understood “new groups”, how they articulated correspondence with those groups to legitimation actors, and how they organized to diffuse credentials among those groups.

Newbies, Working Students and G.I.s: The For-Profit College Status Group

The extant literature is almost universal in attributing the growth of for-profit colleges to the demographic characteristics of its student population. That includes treatments of observations from race, class, gender, generational status and age to cognitive functioning and parental status. In general, the verdict from this literature is that for-profit colleges enroll non-traditional students. To understand how the for-profit colleges understand their target status cultures, I first divide the data conceptually into two instrumental categories. On one hand, for-profit colleges speak about status cultures broadly to define the market potential for higher education generally. On the other hand, for-profit colleges speak about status cultures as target populations for enrollment. There is some overlap but not always, as I demonstrate ahead.

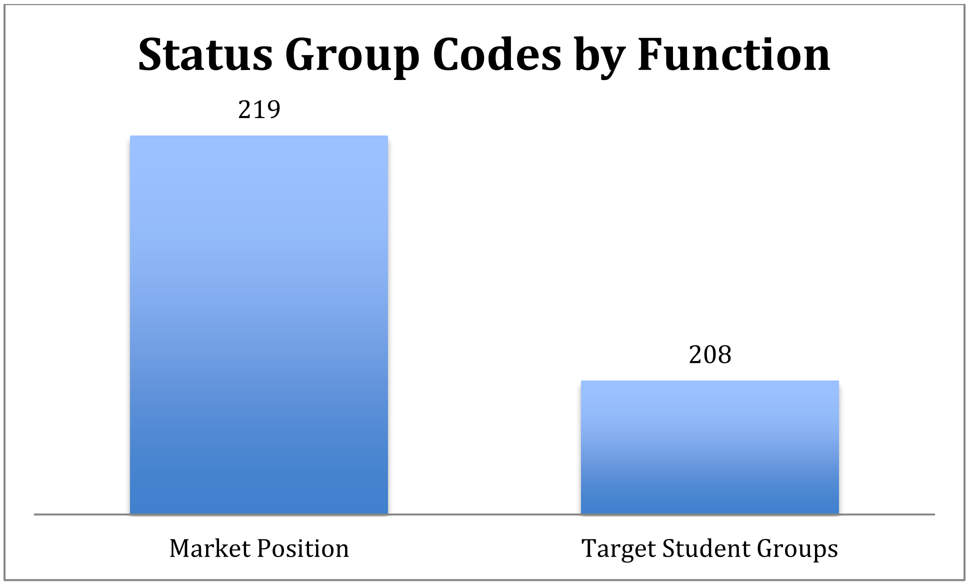
First, these for-profit colleges talk about status cultures quite a bit (n=427) with a noticeable skew in favor of the largest for-profit colleges:

Figure 11. Code Frequency by Institution, Status Groups



Qualitative analysis led me to group status group codes by instrumental purpose, i.e. market position versus target student populations:

Figure 12. Function of Status Group Discourse



The market position deployment of status groups was nearly uniform. For-profit colleges cite three demographic trends to legitimize credential expansion: an increase in high school graduates, an “increased awareness of the value of postsecondary education” among “working adults”, and declining public sector employment. There is greater variation in how status groups are deployed in defining a target student population. But broadly, these for-profit colleges identify students from groups previously served by the public sector, employer training, and new students (e.g. high school graduates and international students).

Despite the narrative that for-profit colleges are for old people who do not have the time or patience to attend a traditional college, for-profit colleges leverage considerable resources to recruit new entrants to higher education, e.g. traditional high school students or newbies. Presumably this allocation of resources corresponds with their assertion that more students are graduating from high school. To capture that status group, ITT Technical Institute says it:

> "Employs approximately 80 high school coordinators who make thousands of presentations to students at high schools annually. These coordinators promote ITT Technical Institutes and obtain information about high school juniors and seniors who may be interested in attending the ITT Technical Institutes."

Recruiting and marketing efforts specific to this status group emerged frequently. Lincoln College, says that they "offer recent high school graduates and working adults degree and diploma programs in four principal areas of study". Sonoma College takes a slightly different tact on the significance of greater numbers of high school graduates. It narrativizes population growth as "spurring demand for workers in a wide range of occupations". The importance of newbies to for-profit colleges' proliferation imperative is clear in how some for-profit colleges organized to recruit them. Again, ITT employed high school coordinators. DeVry says their "student recruiters visited over 10,000 high schools in North America in fiscal year 1996, making presentations on career choices and the importance of a college education." Corinthian Colleges says it had, "recently initiated a significant marketing effort directed at the high school market." The Art Institute also employed high school recruiters and details "home visits" undertaken to make parents comfortable with the school (and presumably to get them on-board for the parental portion of applying for student aid). EduTrek "employ[ed] one direct salesperson who visits selected university professors and study abroad advisors" with plans to hire more. They also used a direct mail campaign that "focused on high school students in their junior and senior years which is designed to develop and target a demographic profile of students with both the motivation and the ability to successfully complete the programs offered by the College." The Art Institutes also employed international student recruiters to identify traditional-aged students from "18 countries". If for-profit colleges end up enrolling more non-traditional students it does not appear for lack of trying to identify, target and recruit traditional high school graduates, as judged by these considerable investments in staff and processes.

Next, I turn to how for-profit colleges constructed status groups as organizational targets for credential diffusion. For-profit colleges understood these students primarily by their work status, i.e. "working adult students". The University of Phoenix says "working adults" are the company's first customer. Not only are working adults projected to increase their participation in higher education (according to how they are cited in conjunction with market trends) but they are "an attractive student population because they are better able to finance their education, more readily recognize the benefits of a postsecondary degree, and have higher persistence and completion rates than students generally" (Grand Canyon). This may be because working adults are "seeking graduate degrees to obtain pay increases or job promotions that are directly tied to higher educational attainment" (Grand Canyon). The code for working adults co-occurs with "up-market credentials" 76 times across these data. Up-market credentials capture the "credential spiraling" (Stevens et al 2008) that characterizes credentialism. Credentialism theorizes that credentials expand both horizontally within stratum of institutional stratification and then vertically along the hierarchy of credentials. In concrete terms, for-profit credentials proliferated first within the stratum of sub-baccalaureate workforce certificates and then up-market to include associates, bachelors, and graduate degrees. The for-profit colleges that appear later in the chronology of these prospectuses place greater emphasis on up-market credentials as a means of capturing market share because

"Management believes that the introduction of higher level programs at additional ITT Technical Institutes will attract more students and increase the number of students continuing their studies beyond the associate degree level". I treat upmarket credential spirals more ahead in their relationship to labor market correspondence. But, upmarket credential spirals also intersected with the construction of working adults as a status group. These credential spirals could capture existing students as new revenue streams for lower new program costs than a new certificate or associates degree in a different field. The faculty is already in place and corporate curriculum designers had already centrally designed the foundational curriculum. Ratcheting up the course sequence to offer a higher-level degree could extend the tuition profile of students whose conversion costs for-profit colleges has already absorbed. Further, working adult students could potentially fund or legitimize their degree pursuits as an occupational cost. This would presumably make selling students on the value of higher degree attainment less onerous for the for-profit colleges.

In addition to newbies and working adults, for-profit colleges frequently cited military personnel as a status group. For all but two of these for-profit colleges, military enrollment was a condition for a growth market. Career Education Corporation (CEC) says that, "due to defense budget cuts and the corresponding reduction in the U.S. armed forces, the U.S. military, a traditional provider of technical and career-oriented training, is able to provide fewer educational opportunities" (1998). DeVry understands the military as competition for their typical and likely prospective student: "The DeVRY Institutes compete with…alternatives to higher education, such as employment and military service." Like CEC, DeVry finds military downsizing an attractive condition for credential expansion:

> The continued downsizing of the U.S. military and recent base closings also present recruiting opportunities. Veterans with military-specific technical training are attracted to DeVRY Institutes' practical career-oriented education. Numerous new students with V.A. benefits have enrolled at the DeVRY Institutes over the past several years.

Military and public sector labor market changes are cited as critical to the expansion of for-profit colleges during this era. Those data become even clearer about the connections ahead when I analyze data on qualitative labor market changes. But, as these data show, military members were a target status culture and for-profit colleges organized to identify and recruit former and current military. And the decline of military enlistment was part of what made for attractive conditions for for-profit credentialism.

For-profit colleges understood status groups as foundational to projected growth and organizational structure. These for-profit colleges invested significant resources in recruiting traditional age newbies to higher education. This counters the dominant narrative that for-profit colleges are a place of last recourse for older students. But how do we make sense of why increasing high school graduation rates would spurn educational expansion and differentiation? Human capital theory would argue that the students choose the most efficient means of skill acquisition available to them, with available including institutions of which students are aware and practically qualified to attend. For-profit colleges invested a great deal of resources to build awareness among newbies, even among those who presumably would be practically qualified to attend higher ranked or traditional colleges. It is difficult to imagine that DeVry visited 10,000 high schools and requested that only the lowest functioning students be invited to attend. More likely, for-profit colleges' high school tours and recruitment strategies sought to develop brand awareness among diverse newbies. The self-selection process would then rely on pre-existing status group knowledge to sort students into for-profits. Credentialing theory conceptualizes these pre-existing, status group specific knowledges as institutional linkages with cultural resources. Aggregate increases in high school graduation become a favorable market condition when for-profit colleges can reasonably expect that more students will graduate high school than will cultural resources prepare students to differentiate among for-profit and not-for-profit institutions. The maximally maintained inequality (MMI) thesis is compatible with both credentialing theory and the empirical data on increasing inequality among and within high school graduates. MMI argues that only when the most privileged stratum reach saturation at a given level of education will further expansion of that level reduce inequality. This occurs through several mechanisms that fall under qualitative differentiation. At a given level of education, the "socioeconomically advantaged seek out whatever qualitative differences there are at that level and use their advantages to secure quantitatively similar but qualitatively better education" (Lucas, 2001, p. 1652) Several recent studies have shown that qualitative differentiation within educational systems shapes student choices and class inequality in educational transitions (e.g., Ayalon & Shavit, 2004; Ayalon & Yogev, 2005; Breen 2010; Lucas, 2001). These data suggest that for-profit colleges were aware of demographic changes that favored aggregate high school completion increases that would simultaneously *not* favor the cultural resources to ascertain qualitative differences in institutional prestige.

Legitimacy and Labor Market Correspondence

Labor market correspondence is critical to the expansion of for-profit higher education on many levels. By labor market correspondence, I extend Bowles and Gintis' correspondence theory of social stratification and schooling hierarchies (1974). Their correspondence theory says that schools mimic the social hierarchies of the social structure in which they are embedded. At the classroom level, researchers in this tradition have studied how the power relations between administrators, teachers, and students correspond with power hierarchies in the workplace. At a different level of analysis, the hierarchical prestige order of higher education institutions in the U.S. corresponds to economic and social rewards of various occupational hierarchies. For example, U.S. voters have had a choice between two Ivy League graduates in almost every election since 1988 and elected an Ivy grad in every election (elected in bold):

Table 15. Elite Colleges and Presidential Elections

88:	Michael Dukakis (Harvard Law) vs. **George H.W. Bush (Yale)**
92:	**Bill Clinton (Yale Law)** vs. George H.W. Bush (Yale)
96:	**Bill Clinton (Yale Law)** vs. Bob Dole (Non-Ivy)
00:	Al Gore (Harvard) vs. **George W. Bush (Yale, Harvard MBA)**
04:	John Kerry (Yale) vs. **George W. Bush (Yale, Harvard MBA)**
08:	**Barack Obama (Columbia, Harvard Law)** vs. John McCain (Military Experience)
12:	**Barack Obama (Columbia, Harvard Law)** vs. Mitt Romney (Harvard Law/MBA)

Sociologists frequently argue that the tight correspondence between elite universities and elite social reproduction is reason enough to limit their analysis to this handful of the thousands of colleges in the country (Stevens et al 2008). Consequently, we can imagine that the hierarchy of higher education institutions corresponds with broader societal systems of hierarchical stratification in wealth, status, income, and occupations. Following that conclusion, one can ask to what extent for-profit colleges correspond to existing societal hierarchies. Credentialing theory centers correspondence between higher education organizations and qualitative labor market changes in its proposed mechanisms for credential expansion. Both Marxist and Weberian threads of credential expansion theorize correspondence between credential expansion and *qualitative, stratified* occupational changes. For it's own part, the for-profit college sector embraces its correspondence with labor markets in its rhetoric to students, investors, political parties and general public. The Association of Private Sector Colleges and Universities (APSCU) says that for-profit colleges provide "more than four million students annually with the education and skills necessary to compete for jobs in high-demand occupations" (2014). Even more directly, APSCU says that it addresses the "skills gap" crisis in the U.S. by providing "skills-based programs specifically designed to open doors for the nearly 13 million unemployed and 90 million undereducated individuals in the United States" (2014). The sector's number one online advertising buy for Google in 2013 was a $55 million purchase for all searches for "unemployment insurance" (McMillan Cottom 2014). The sector articulates its correspondence with qualitative labor market changes as not only its organizational logic but also its legitimation narrative. But, credentialing theory more specifically theorizes that qualitative labor market changes drive credential expansion. Therefore, I was looking not just for evidence of correspondence but of the qualitative changes in correspondence with occupational groups.

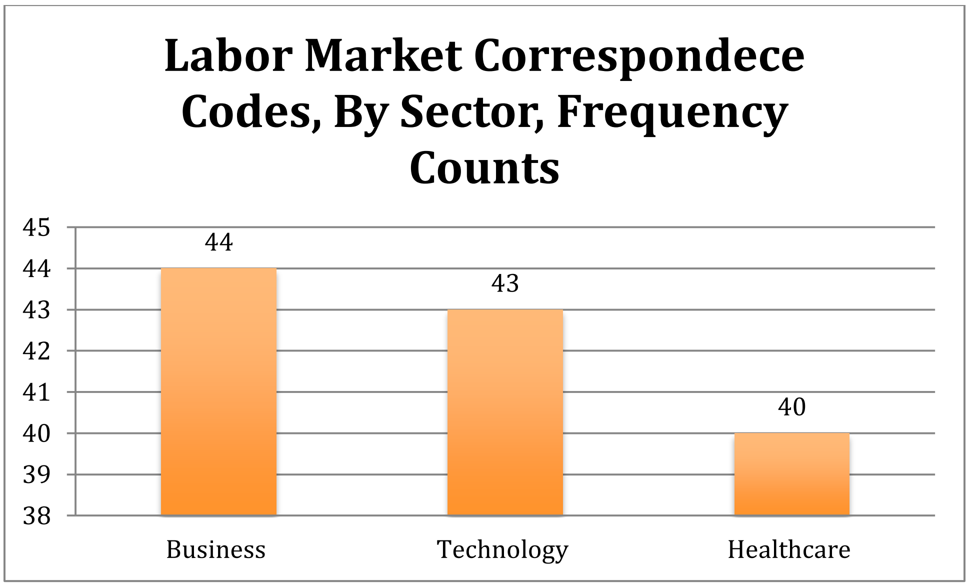
I coded all references to specific occupations in these SEC data across seven occupational fields: Business, Education, General, Healthcare, Military, Public Sector, and Technology. Business had to specifically use the term to be coded as such. This included references to courses in “business administration” and degrees in business from the certificate through the graduate degree level. This distinction was made to delineate that code from the broader “general business/work” code. This code included references to “office administration” and occupational degrees that would “equip students to work in or supervise a modern business office” (Strayer). I draw on literature about the “new economy” to make these distinctions. The “new economy” literature focuses on the emerging qualitative changes in the dominant mode of work (McCall). The new economy is characterized by increasing specialization, industrial restructuring, declining wages, and flattened internal labor markets (Kallerberg; McCall; Schmitt). General business skills related to the technical changes of the modern office workspace should be, under these conditions, diffused across occupational training fields. At the same time, increased specialization should see more credentials where business is a professionalized class of work.

Various discussions in the literature on job polarization and other qualitative labor market changes also informed the codes for healthcare, technology and public sector (including “military”). The expansion of the technology sector is considered both a causal condition for other qualitative labor market changes and a characteristic of occupational stratification among “good jobs”. Functional-technological theories of the new economy argue that technology advancements have made workers more productive. This has increased the wage premium for workers who can use that technology while increasing the wage gap between those who do and do not have those skills. Therefore, we should expect for-profit colleges to provide credentials for technology-related occupations. Technology, professionalization and demographic changes have also made healthcare an ascendant labor market area in the new economy. An aging population of baby boomers and technological advancements that extend the life course created demand for more paraprofessional health care services that is projected to increase through 2015 (BLS). These paraprofessional health care occupations include various kinds of healthcare office technicians, nursing assistants, and healthcare management classes. These fields have been broadly called allied health professions. Allied health professions account for a significant proportion of projected healthcare occupational growth and increasing levels of professionalization should create credential demand.

Finally, the private sector is not the only labor market; the public sector has almost every occupational class and hierarchy of the new economy writ large. The neo-liberal ideology from which financialization logics emerge also shift public services to private sector markets (Karabel and Halsey 1972). An example of this is the contraction of public sector labor, which has declined at 34% at the federal level since 2000. States also report, in aggregate, reduced payrolls. And, the armed forces shrank 38% since 1999. As important sources of labor market hiring, norms, and competition for labor, qualitative changes in the public sector should correspond with concurrent credential expansion. I separate the military from bureaucratic civil service labor markets. The military has a distinct personnel filtering, hiring and internal labor markets. And, public sector contractions in the civil service would also impact different status groups. Military enlistees remain heavily skewed in favor of men while women (especially black women) disproportionately work in the non-military public sector. The codes reflect these qualitative differences.

These data show what has been reported in other studies: for-profit colleges that sought financial investment most frequently cited their correspondence with healthcare, technology and business:

Figure 13. Labor Market Correspondence, By Sector, Frequency Counts



General/Non-specific references to business and office management had the highest frequency (n=110). After additional qualitative analysis of these 110 codes I determined that they were more consistent with institutional legitimacy than to specific occupational groupings. For example, Sonoma College said its business curriculum, “trained students for entry level employment in various business offices” with the skills “to start on day one”. Corinthian College attributed business skills to the service sector more broadly saying, “According to the Bureau of Labor Statistics, employment in service-producing industries will increase faster than the average, with growth near 30% between 1996 and 2006.” DeVry’s general appeal to its tight correspondence with business spoke of "workplace culture", inclusive of using common office technology and reading business reports. Again, this was not consistent with correspondence to occupationally specific job tasks such as phlebotomy training ("healthcare"), network administration ("technology") or education ("school administration"). I eventually collapsed these codes into legitimation (n=41), ideology (n=45), and financialization (n=24).

Of the most frequently cited occupational codes, healthcare had the most detailed narrative about qualitative labor market changes. Sonoma College says that "according to the [Department of Labor], health services…are projected to grow faster and add more jobs than any other sector". Grand Canyon University cites similar healthcare occupational statistics and adds they, "we offer clinical courses onsite at hospitals and other healthcare centers with which we have relationships". Corinthian College goes further with disaggregated statistics about occupational jobs within the healthcare occupational hierarchy: "The demand for Medical Assistants, for instance, is expected to grow more than 70% from 1996 to 2006". Healthcare labor market correspondence also most frequently co-occurred with "upmarket credentials" (n=20). Upmarket credentials refer to credential spirals of higher levels of degree (e.g. AA, BA, MA, etc.). This could signal credential expansion in this occupational sector corresponds with qualitative changes not just in the occupation but the nature of the hierarchy within the occupational group.

Technology (n= 43) is broadly conceived in these data. Healthcare had consistent language for its credentials and similar job duties and titles. Technology included automotive technology, office technology (e.g. desktop software, office budget management), and information technology (e.g. software development, network administration). Information technology was frequently associated with upmarket degrees and legitimation narratives about the school's correspondence with the ascendant high status career field. For example, Edutrek is one of the few institutions analyzed for this project that pursued regional accreditation from the Southern Accreditation of Colleges and Schools. The school had a high rate of legitimation and ideology codes (n=72). This included prospecting with area traditional colleges (such as Emory University and Oglethorpe University) to offer these high status student groups customized "international" programming. That programming would be similar to semester abroad programs, except the students would be from both EduTrek and the partner institution. The marketing position was to offer international students an authentic elite American experience and to offer U.S. students at elite colleges an all-inclusive semester abroad program. EduTrek cited plans to offer an "information technology management" degree to "respond to the increasingly technology-intensive workplace". This was both signaling labor market correspondence and the occupational field as a high status legitimation process.

Schools with specialties in technology credentialing included DeVry Institutes and ITT Technical Institute. DeVry had the most well articulated correspondence with the technology sector as a cohesive labor market. DeVry says that the majority of its graduates are in the "electronics and information processing industries". They list the "major employers" of their graduates as: "Andersen Consulting, Applied Materials, AT&T, Cellular One, Eastman Kodak, EDS, General Electric, IBM, INTEL, Motorola and Sprint." In addition to these placements in well-known companies, DeVry announced it had formed a "strategic alliance" with a "leading provider of technical staffing”. This partnership with what is essentially a temporary and permanent placement staffing office gave DeVry access to job postings at the agency’s 50 office across the country. The placements include student labor (“internships) and full-time employment. The staffing agency also lists itself as a temporary job placement agency but DeVry’s statement does not once mention temporary employment. It is unclear if DeVry students would have been placed in part time or temporary job roles. But, it is clear that one of the major qualitative changes in the technology labor market during this Wall Street era was the shift to various contingent labor arrangements. That is also reflected in one of the characteristics of the new economy more broadly. Contingent labor arrangements have allowed capital interests to quickly ramp up and ramp down employee rolls to meet demand and maximize profit margins.

Capella University specializes in upmarket credentials. In 2004 they created two new bachelor’s degree programs in business administration and information technology. Capella saw its niche as allowing those technology sector employees with certificates and associates degrees to apply those credits in a specialty “bachelor’s degree completion program” in information technology. Credentials and certifications have historically been the largest share of the for-profit credential market. In the mid 1990s the technology sector was said to be at the forefront of disrupting credentialism because demand had created a premium for on-demand, systems specific skills. For example, information technology technicians who could program a proprietary mainframe in 1998 had better employment prospects than a computer science bachelor’s degree holder in some markets. Some of that demand was driven by short-term technology specific crises like the Y2K bug. Under those conditions, short-term computer certificates were a way to demonstrate a worker’s skill set without incurring high opportunity costs. Take The University of Phoenix’s position on technology certifications in 1995 during the height of the 1990s tech bubble expansion. UOP formed a partnership with Ingram Micro, Inc. in 1995 to provide “training and certification for Novell and Microsoft Software”. The training sites were equipped and maintained by Ingram but staffed by UOP. They were for “technical professionals who wish to obtain or enhance skills as network administrators”. By the year 2000 when Capella created its special IT bachelors degree completion program, the 1990s tech bubble had burst. With an atrophying labor market, credential spirals would become more valuable. Stacking those credentials in a way that allowed workers to keep the credits they had earned with previous certificates would reinforce a for-profit college as an efficient means to upgrade existing credentials. From Capella’s perspective it also built “brand loyalty and awareness” as well as diffused the upfront costs of curriculum development. With a technology curriculum already written, tested, and paid for building on an additional degree level would be a minimal institutional cost.

From literatures on the macro conditions of these organizational changes I determined that correspondence with the business labor market could be split into two groups: those credentials for good jobs and those credentialing for increased competition for fewer middle skill jobs. Most of the business degree expansion that was described in these data related to job tasks and occupational roles produced by technological advancements in bureaucratic work. For example, Education Management Corporation says that prospective employers “increasingly demand that their entry level employees possess appropriate technological skills”. This includes basic budgeting, software use and desktop design to create office documents and communications. These could be said to be the middle skill jobs that historically came with work arrangements associated with the “middle class”. Kallerberg says that by the 1990s these middle skill jobs were declining, replaced with lower level service work, and increasing demand for a smaller pool of high status “good jobs” with desirable work arrangements. An increase in credentialization of middle skill jobs as those jobs were statistically declining would be compatible with status competition theories. At the same time these for-profit colleges began adding business related bachelors, masters, and other specialty executive degrees during the same time. Grand Canyon says these degrees meet the needs of those “seeking graduate degrees to obtain pay increases or job promotions that are directly tied to higher educational attainment.” Edutrek says that business and management degrees “lead as the most popular fields of study among foreign students studying in the U.S.” The Keller Graduate School of Management at DeVry Institutes fully enclosed that school’s graduate business degrees under a single graduate school. It said it would offer a “practitioner-based graduate management program designed to enable students to qualify for administrative and managerial jobs”. The specificity of the occupational class (“managerial”) and credential spiraling suggest these credentials may be labeled business but were responding to different qualitative labor market changes than those degrees for office skills. These were credentialing gateways to private and public sector jobs loosely affiliated with “business” as an academic field but tightly coupled with business occupational categories with more robust internal labor markets.

These data show that for-profit colleges co-created their legitimacy account as necessary prescriptive for “skills gaps” in the U.S. labor market. On this basis, for-profit colleges have had great success courting financial legitimacy [chart of financial investment 1999-2013]. They have also been successful with procuring the legal authority to operate. All of these institutions met the SEC criteria, have accreditation, and offer federal student aid. However, a legitimacy account of “necessary” does not buffer critical investigations of legitimacy. For instance, using public money to recruit college athletes and organizing to give them paper classes is not much different from using public money to recruit poor students. Traditional colleges’ legitimacy account encompasses necessary but is more than that. That legitimacy account says traditional higher education is proper. The education gospel of education as *the* vehicle for social mobility is about more than individual labor market returns. It is an appeal to a public, to a collective social. Social mobility is a desirable collective goal from which groups and persons benefit. In contrast, for-profit colleges address “skills gaps” by helping individuals earn more. Whether they do that or not objectively that is their subjective claim to legitimacy. And that is the claim on which their legitimacy is contested.

This chapter analyzes data from SEC prospectuses. It finds that for-profit colleges used comparative accounts with traditional higher education legitimation accounts only in the domain of accreditation (e.g. regional accreditation signals quality). Across the other domains, for-profit colleges do not present comparative accounts. In one domain – professional enclosure, represented by professional organizations – that was important in Brown’s study is almost entirely absent from these accounts. That does not mean that there are not correspondences with professions but it does signal that the for-profit colleges did not consider such correspondences important to courting financial investment and regulatory legitimacy. Finally, qualitative analysis of the content of the discourses in these data show that for-profit colleges put forth an account of their singular function in redressing skilled labor gaps in the market for the undereducated and underemployed. That account includes traditional aged students who cannot yet be said to be underemployed but who, based on their status groups, are implied to be unlikely be suitably employed in given macro conditions. Next, I present findings from data produced to attract those students groups.

CHAPTER FOUR: LEGITIMATION ACCOUNTS FOR PROSPECTIVE STUDENTS

Credentialing theory has previously located legitimacy in political and cultural conditions. Brown finds that college credentials expanded in the early 20th century when labor markets required efficient labor allocation and political actors developed a cultural narrative for college degrees' as the right credential for efficient allocation. For-profit colleges similarly responded to various qualitative labor market changes, as per their SEC filings. Even the critiques of for-profit colleges' legitimacy are generally centered on how well they demonstrate correspondence with labor markets. Those critiques have also predominately focused on how for-profits enroll students. It's actually an odd choice given that the claims are generally rooted in ideas about outcome measure, like graduation rates and job placements. It would seem that the real point of contention is with how well labor markets receive for-profit credentials. Instead, legal and political actors have drawn a line from outcomes to inputs, critiquing the for-profit college's organizational process of advertising and recruitment as the "black box" of its legitimacy violations. To understand the context of the legitimation accounts that for-profit colleges leverage to student audiences, it is helpful to first know what the enrollment process looks like in the for-profit college sector. I begin by describing the entire enrollment process from initial point-of-contact through first opportunity to execute an enrollment agreement. Moreso than the traditional college admissions process, the for-profit college enrollment process relies on verbal accounts (interviews with enrollment officers) and texts. Unless you were attending an online-only degree program the only way to enroll at these nine for-profit colleges was to attend an on-campus tour and interview (even online students must do a phone call or extended online chat session with an enrollment officer;

discourse making abounds at for-profit colleges). The requirement means that many for-profit college students engage these verbal accounts and texts. Then, I present the three legitimation accounts used throughout the process.

Tierney and Iloh (2013) conducted a comparative study of admissions at for-profit and not-for-profit community colleges in California. They argue that for-profit colleges provide a higher degree of “customer service”. They delineate the customer-service context narrowly to information-gathering via telephone calls. Yet, the transactional exchange between students’ social resources and college entry does not happen during telephone information-gathering. For-profit colleges consider the *campus tour* (or, interview) the critical moment of converting a prospective student to a tuition-paying student (U.S. Senate GAO 2012).

A 2009 Senate investigation of thirty for-profit colleges found that the examined companies spent $4.1 billion, or 22.4% of all revenue, on marketing, advertising, recruiting and admissions staffing compared with $3.2 billion, or 17.7% of all revenue, on instruction (U.S. Senate GAO 2012). Enrollment, it could be argued, is more important to the financial model of for-profit colleges than is education. As such, the context of enrollment decisions is best understood by an analysis of the full for-profit enrollment process, inclusive of the college tour. To Stevens’ point, institutions must know their student. An institution that operates to generate quarterly and annual returns to investors must know their student particularly well to be successful in their profit-making endeavor. Students become students through the process of enrolling them; transforming them from a prospect to a tuition-paying, revenue-producing student. That process is not complete until a student conducts an enrollment tour or session with a for-profit enrollment officer. To understand the full scope of the for-profit organizational form at the institution’s most critical function – admissions – a more robust analysis would include observations from first point of contact through enrollment.

Data from the prospective student enrollment process (PSEP) at nine for-profit colleges show how for-profit colleges use implicit comparative accounts to signal legitimacy. Rather than selling the specific for-profit college, Strayer University for example, admissions personnel and marketing materials sold the value of higher education writ large. The organizational structure of the enrollment process inculcated a sense that higher education is not only a valuable pursuit but also an urgent one. The speed of the process and the comparative legitimacy accounts are designed to minimize qualitative differentiation among institutions and institutional sectors. Next, I describe the PSEP, from phone call to first offered point of enrollment. Qualitative analysis of legitimation themes are also presented.

Findings

The PSEP at each site consisted of two components: the telephone call (outbound in the case of me calling the phone number or inbound when an enrollment officer responded to my online request for more information) and the campus tour.

<u>The Telephone Call</u>

When a prospective student responds to a marketing exhortation to "call now to start your new career", they are greeted not by an automated phone prompt but a person. This was true of phone calls initiated as late as 9pm. Online requests received telephone responses as early as 8:15 am the following business day (Monday through Saturday in most cases). An enrollment officer conducts the call (as opposed to a receptionist or administrative assistant). In seven of nine cases, the enrollment officer was a woman. The enrollment officer guides the content and pacing of the conversation. She gathers first contact information "in case we are disconnected". Next, there are two to three questions about "what made you decide to change your life today?" This includes asking about my career aspirations, current work arrangements and social support networks: "What does your family think about you returning to school?" The phone interviews lasted 15 minutes on average. In each case the enrollment officer says that the best way to have my questions answered or "get a feel for where [I] will be going to school" is to schedule a campus tour as soon as possible. I am not presented with appointment times or business hours. Instead, the enrollment officer ascertains my schedule availability and offers me one or two possible times. The choices are always within a 72-hour window. Enrollment officers resisted setting a time more than a week in advance. Token resistance (e.g. I do not have transportation) was countered by offers to meet evenings and weekends or to bring a friend (who could drive me) along for the tour. Questions and assumptions about my family structure and parental status figured prominently in the telephone interview. One exchange with an enrollment officer illustrates the behavioral interviewing style used across all nine sites. The process simultaneously establishes rapport and captures critical information for the enrollment process:

> “And you can bring your children for the tour. They should see where their mom is going to school! [to my response that I do not have children] Oh, that’s great! Good for you. Get your life together before you have a family. That’s the best way to go. So can you come tomorrow at 6:15 pm?”

Once a campus tour was scheduled the enrollment officer called to remind me of the appointment. If the appointment was more than two days out (five of the nine visits), the enrollment counselor called twice: once the day before and the day of the appointment. Enrollment officers remembered my name (usually pronounced correctly), and often referenced some personal detail like what route I would be taking from my job at a local university.

The Campus Tour

When a prospective student arrives for the campus tour at a for-profit college they are greeted by a receptionist, told that their “counselor” is expecting them and given an information sheet to complete while they wait for the enrollment officer. The sheet is between one and two pages long. It asks for all forms of contact information and has some combination of short answer questions that largely focus on my motivations, anticipated roadblocks to college success, and referrals for other prospective students.

Once the sheet is complete or no more than ten minutes has elapsed (often the latter happened before the former and the enrollment officer waived off completing the form), the enrollment officer greets the student. The EO is generally warm and update, authoritative but not intimidating. She takes the information sheet and it stays with her for the remainder of the campus tour. The enrollment officer leads us to some sort of semi-private room, generally small but well appointed. The spaces vary in size and poshness but in each case, there are doors and they are closed once the interview begins. We generally start with the representative initiating a brief discussion akin to small talk at a professional meeting. We talk about the traffic into the campus, if it was convenient, or if I got lost. If I did, the representative offers a better route. In most cases, she mentions a detail from our phone conversation. “Now, you said you’re on the east side of town right? Did you come down (highway) 20 or come through town?” There is often a congratulatory moment wherein the enrollment officer validates my decision as important. “You’re making the first step to getting your degree! Good for you”, one middle aged woman told me during this “introductory small talk” phase. The congratulations not only validated my decision to “invest in myself” but it moved the discussion into more direct matters relevant to enrolling.

The enrollment officer directs the conversation to information from the sheet I completed when I arrived, now in the enrollment officer’s constant possession. There is some variation at this point of the process. In six cases, the enrollment officer launches directly into a presentation about what that particular for-profit institution offers, or further probes me for potential obstacles to “achieving my dream”. That probing usually centers on whether my parents or significant other support my educational plans or the details of my work schedule. In three cases the enrollment officer skipped directly to a tour of the facilities. In all cases, I signaled that I did not have a partner and that I worked most weekdays until 6 PM. There was often visible relief when I mentioned having no romantic partners. One enrollment officer commented on my good decision to “focus on [myself]” at this important juncture of my life. Once it had been determined that there was a program or schedule that would address any obstacles I had presented, we moved into a general discussion of the school’s offerings.

This portion of the appointment is analogous to traditional universities’ recruitment brochures. Like shiny brochures with smiling, diverse student faces, the campus tour is positive in tone and thin on specifics. For example, one technology school told me about the growing field of technology, that their professors are former practitioners, and that the school offers 16 different programs. But, like a brochure, there are no details on time to degree completion, tuition, or requirements of coursework. As yet, in seven of the nine sites, we have not discussed my specific degree program of interest. The information sheet at five schools ask about my broad career goals, but only one asks me specifically what program I intend to enroll in at that institution. At the other institutions, it is not until after we have established the convenience of my commute, my good decision-making, and the value of a degree in fast growing fields that we discuss specific programs. Then I am presented with two, and never more than three programs, that are offered at the times I've indicated I'm available. I'm not asked to commit to any of the choices but rather whether "any of these appeal to [me]". A general signal of agreement then moves us onto a tour of the facilities.

The facilities tour may be brief, perhaps designed to limit the time commitment required by prospective students, but it is also the case that there is rarely a lot of square footage to cover (Hentscke and Tierney). The tour includes a visit to some kind of social space, be it a canteen with vending machines or a well-appointed conference-sized room with seats and a television. It also includes a visit to a job board, a classroom, and a "resource" room.

At almost every such stop during the tour, the enrollment officer linked aspects of the facility to a need inferred from phone and interview conversations. In many cases the enrollment officer also used questioning techniques that made it difficult to answer anyway but affirmatively. For example, at one allied health college the EO would ask, "So, do you think this lounge would help you get in a snack when you're running late?" In eleven instances, the EO says of a job board, "You mentioned that you're looking to for a more professional job. Do you think this career board might help you keep an eye out for a better job?" These types of questions are phrased so that a negative response would be either a non sequitur (e.g. “No, I don’t think a microwave, fridge, and vending machine with sandwiches would help me to snack”) or violate a social norm, i.e. admitting that you don’t really want to keep an eye out for a better job. The tour concludes by returning front office or a private room. Until now, no specific details divulged about the cost of tuition, the program or major that I might choose, or the next available class start days have been divulged. These details are presented at this time and an officer to “enroll today” by signing a multi-page enrollment agreement akin to terms and conditions of an automobile purchase.

A Calculated Hedge Against Unemployment

In 2009, DeVry University president David Pauldine said, “I have heard repeatedly from our admissions offices that when they interview prospective students, they’re saying they just lost their job or fear that they might lose their job” (NY Times). That may explain the dominant legitimation account presented during the PSEPs at these nine for-profit colleges. That account was a credential as a ““a calculated investment as a hedge against unemployment” (De Aenlle 2009). If prospective students are making a calculated hedge, the for-profit colleges are constructing an account of credentials as insurance against labor market uncertainties. Each of the nine PSEP phone interviews included a question about my current employment situation. In six of those interviews the enrollment officer inquired about my “fears”[18].

Enrollment officers drew explicit connections between labor market statistics about the fastest growing careers and the degree programs offered at the college. And, enrollment officers frequently described these careers in qualitative status terms. For

[18] This is consistent with findings in the U.S. Senate HELP report of some for-profit colleges using a marketing strategy known as “the pain funnel” to identify student insecurities.

example, at ITT Technical Institute I was told that technology jobs were "more professional" and you could "go anywhere" with a degree in technology. This alluded to social mobility narratives in the education gospel but also to assumptions about the characteristics of precarious employment, i.e. that it is low status work with few internal labor markets for promotion over time. Capella University also pointed out that a degree in business could lead to better quality work and that eventually I might pursue a master's in business administration to be really immune to labor market vicissitudes. The enrollment officer said that graduate degrees afford more job security. At AIU the enrollment officer asked particularly pointed questions about my current work. When I told her that my current work does not allow a set schedule she nodded enthusiastically and said that a more professional career comes with better, standardized hours as well as pay.

These for-profit colleges constructed narratives of college degrees as insurance against downward social mobility as frequently as they presented degrees as pathways to social mobility. Conversations with for-profit sector executives corroborate Pauldine's assertion that research influences this account. The likely for-profit student is vulnerable to deteriorating conditions in the primary and secondary labor markets. Such students might prefer to maintain their current status without going to school but the risk of downward mobility increases the perceived value of credentials.

Comparative Accounts: "Serious U"s and "Similar U"s

Traditional colleges benefit from a deeply entrenched cultural faith in the value of college (Mullen 2010), particularly among higher status groups (Karabel 2006). Selective colleges can assume that their prospective students journey to its admissions office, "began long ago" (Stevens 2007:243) as they internalized parental and social expectations. Therefore, traditional colleges invest little time or money convincing prospective students that college is a valuable proposition. In contrast, for-profit colleges do not assume that prospective students have faith in traditional higher education's taken-for-grantedness. Marketing materials featured remarkably standardized statistics on labor market growth and returns to educational attainment. ITT Technical Institute said "technology jobs were among the fastest growing occupations according to the Bureau of Labor Statistics". AIU said that healthcare careers are expected to experience double-digit salary growth over the next ten years. These are discursive linkages to cultural accounts of job security and mobility. This is similar to traditional college accounts in that they appeal to the education gospel of education as the singular vehicle to upward mobility. But the accounts differ in that for-profit colleges describe the mobility narrative explicitly.

I gathered a few of the shiny brochures left about my own campus for a sense of whether broader trends in academic capitalism had similar effects on how selective traditional colleges describe the education gospel. The materials all take great care to market how their college is not just college but a singular collegiate experience. One brochure alludes to job security only in the most implicit terms: "our graduates become leaders in health and technology". There are no BLS statistics on job growth or occupational projections. Salaries are never discussed. In contrast, in almost all of the campus tours I was presented first and most with value statements about higher education. One enrollment officer said, "nothing pays like a degree" because "these days everybody's got one." Another said that I would "make a million dollars more over my lifetime" with a college degree than with a high school diploma. Time and again enrollment officers sold me on the value proposition of higher education before they told me anything specific to their college.

For-profit colleges also leveraged comparative accounts to distinguish themselves as serious. For example, AIU had a branded campaign happening when I visited their website to start the enrollment process. By going to www.seriousU.com, I was redirected to AIU's homepage. A "Serious U", was one that did not waste time or money on extra-curricular activities. The web ad on AIU's page said that its students don't party all night or get drunk. Instead, they focus on getting the skills employers want. AIU's was the most explicit comparative account but other for-profit colleges made similar implicit comparisons. Everest College's enrollment officer said that the courses I would take there wouldn't waste my time with frivolous subjects, such as "art and stuff". The University of Phoenix emphasized its curriculum and org structure as one that prioritizes skills over socializing. Even when the enrollment officer marketed the school's online alumni meetings she said that it was more "networking than socializing. These are people who help you get jobs." DeVry University was the only for-profit college to similarly present its student services (e.g. internships and interest groups) as similar to those in the traditional college sector. On a spectrum from AIU's "Serious U" legitimation account to DeVry's "Similar U" legitimation account, most of these for-profits were closer to AIU.

Even courses considered "core" academic classes were positioned as more serious by most of these for-profit colleges. Capella University said that even its English courses were "geared towards business". They explained this as focusing on how to write better business documents instead of wasting time reading literature. Everest College was also clear that English, math and science courses "strip away" the unnecessary parts of the subjects to focus on its applications to narrowly defined business applications. The "Serious U" legitimation narrative is an explicit and implicit comparison with traditional college's "pervasive party culture" (see: Armstrong and Hamilton 2013) and liberal arts focus as inefficient.

Legitimating Without Promising: Labor Markets and Professional Entry

The legitimation accounts of for-profit colleges as Serious Us presents a tension for marketing to students. If an institution strips away the arguably enjoyable parts of peer culture, it must offer a competing account. These for-profit colleges draw heavily on its proximity to employers. They presented themselves as gatekeepers to professions and status groups by discursively emphasizing things like "employee boards" that give them an inside track on what the management class wants from prospective employees. However, these accounts were careful (perhaps due to increased regulatory oversight and public scrutiny) to signal exclusive access without promising access.

AIU's enrollment officer said that the college's employee board influences the curriculum "so it's always changing but that's good for you. It means you will be on the cutting edge." Everest's enrollment officer also responds to my inquiry about job prospects by emphasizing the school's relationships with area employers. She went so far as to suggest that I might even run into these employers at school on occasion. But, she stopped shy of saying that I would have meaningful interactions with these employers. The University of Phoenix said that it had alumni all "across the world", many in positions to hire. None of these actors promised that I would have direct engagement with employers. In fact, concrete questions about interacting were often met with responses about the college's career services office. The career services office was staffed with College employees and not the employer hiring class. But there was some elision in these legitimation accounts. Everest alluded to how career services are in frequent dialogue with powerful labor market actors who provides the colleges (and, ostensibly Everest students) with privileged information about job leads and hiring protocols. This is not like the kind of networking events that often happen at elite colleges where students are acculturated to the implicit norms and tastes of high status actors. Instead, these colleges had formalized the act of “networking” to mean information and not tastes or norms. The materialization of cultural and symbolic transactions that enclose status groups may be easier to discursively signal. How do you imply in a slick brochure that students will develop better tastes? But, it may also be the case that regulatory environments make for-profit colleges sensitive to making concrete, measurable promises to prospective students. Instead, by emphasizing these employee advisory boards for-profit colleges give an air of concreteness to its correspondence with elite labor market gatekeepers. That is an easily measured objective, i.e. the advisory boards either exist or they do not.

DeVry University was the only for-profit college in this sample to discursively signal that the students would have direct engagements with hiring managers. It is also the only college in the sample to embrace a comparative account strategy of being a Similar U as opposed to a Serious U. DeVry University’s enrollment materials detailed the various occupationally focused student groups on campus. These groups frequently socialized and networked with prospective employers. DeVry also uses employer advisory boards but it does not leverage them as imagined sources of privileged information about labor markets. Instead, DeVry discusses the boards as one of many programs that shapes the campus curriculum and student experience. But, the face-to-face student groups are given more discursive attention, as are internship programs and guestspeaker series (similar to traditional college lyceum events).

This chapter presents findings on the form and content of legitimating discourses presented to prospective students. These accounts were more similar in form with traditional college accounts (e.g. college is a moral and individual good) but differed in content leveraged to make that claim. Traditional college accounts are assumed and are, at best, signaled as assumed in market materials. In contrast, these messages do not assume taken-for-grantedness among these student groups. Instead, these for-profit colleges restate the taken-for-granted account of the education gospel and present it to prospective students. Specifics about labor market outcomes use data to enhance the account but data that might clarify any qualitative differences among institutions or sectors are elided. These accounts can be said to leverage the education gospel to status groups least acclimated to its articles of faith to the benefit of for-profit colleges' enrollment imperative. In the next chapter, I discuss how institutions and other audiences appear to perceive for-profit colleges' multiple legitimation accounts.

CHAPTER FIVE: MANAGING MULTIPLE LEGITIMATION ACCOUNTS

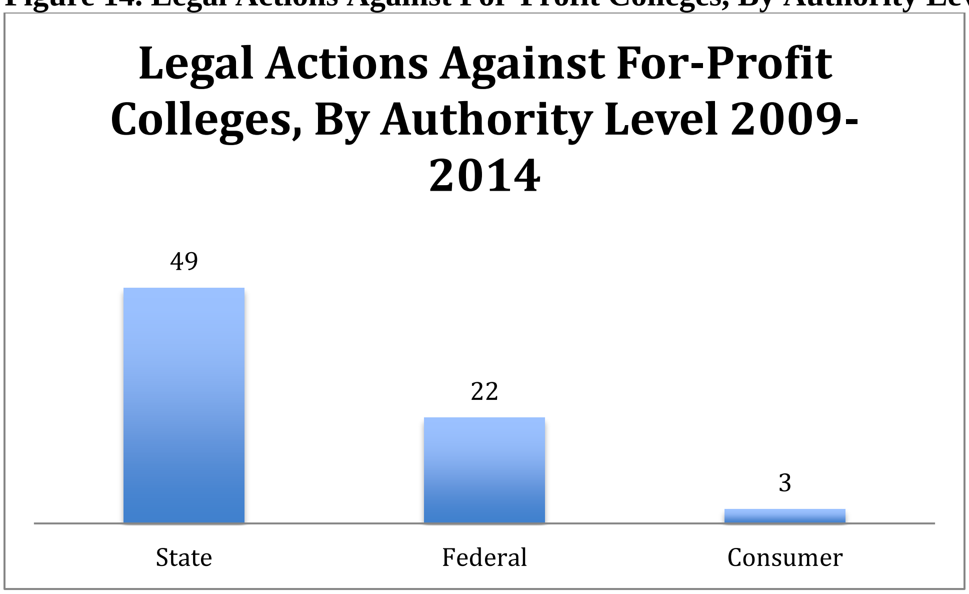
Consistent with hypothesis one, these for-profit colleges manage multiple legitimation accounts in an institutional field beset by intersecting macro processes that make it difficult to ascend to taken-for-grantedness. Financialization norms constrain shareholder for-profit colleges' legitimation accounts, by discouraging material investments in the kind of symbolic measures that traditional colleges once used. Sporting teams are expensive. Becoming a community hub might require spending money on facilities. Character development programming, through social programs and extra-curricular courses, takes time, money and resources. But, credentialing requires some account for an educational sector's rightness in the greater social discourse. To expand, for-profit colleges have to put forth an account of its legitimacy. These for-profit colleges put forth multiple legitimation accounts for various audiences (H1 and H2) but not all accounts used comparative strategies (H3). Comparative strategies were more common in student audience accounts. For-profit colleges drew on "alternative paths to legitimacy" (Quirke 2009) for market audiences. These accounts leveraged the skills gap narrative. The skills gap narrative is a technical-functional interpretation of macro trends consistent with the new economy. The new economy is characterized by increasing specialization, industrial restructuring, declining wages, and flattened internal labor markets (Kallerberg; McCall; Schmitt). In particular, for-profit colleges' legitimation account was a response to aggregate growth of some occupations and flattening internal labor markets (ILMs) within others. On one hand these multiple legitimation accounts have been successful but on the other hand they have failed to achieve the normativity that protects organizations from the kind of critical inquiry that trails for-profit colleges' expansion. A treatment of the grounds on which for-profit colleges' legitimacy is instructive. The sector's legitimacy crisis can be observed through the legal actions taken against shareholder for-profit colleges.

In 2011 several media outlets began reporting that the University of North Carolina at Chapel Hill (UNC) had been offering "paper classes" to student-athletes. These paper classes were so called because athletes only attended them on paper. In actuality, administrators, faculty, coaches, and students all knew that the athletes did not actually attend classes or earn the passing grades that they were all assigned on their transcripts. Rumors of athletes receiving special treatment like "tutors" who attended classes in their stead and assistance with exams and assignments have dogged college athletics since it became big business. The UNC case pulled back the curtain on the organizational structures behind the murmurs. The case is also unique for being one of the few to result in formal allegations and criminal charges. From Harvard to Big Ten sports giants to small colleges across the nation, there are countless reports of schools gaming the system so athletes can play and win. But those cases have rarely ended in serious sanctions. Even in the instances like UNC where investigations were conducted, there will likely be no public hearings at the U.S. Senate about the legitimacy of college degrees where grades are given for paper classes. Indeed, despite charging key administrators in the cheating scandal no one with authority has called for sanctioning the transcripts of former athletes who we now all know likely have degrees based on classes they never attended.

As UNC was putting the final touches on an investigative report into how the cheating scandal had happened, the U.S. Justice Department was launching an investigation of Corinthian Colleges in Georgia. Corinthian Colleges owns Everest College. On April 11, 2011 the Company's Everest Institute in Jonesboro, Georgia was sent a subpoena from the Atlanta office of ED's Office of Inspector General (the "OIG") requesting documents related to the Jonesboro campus's employment and placement rates reported to its accrediting agency, as well as correspondence with the accrediting agency. The records were subpoenaed on behalf of the state's Consumer Financial Protection Bureau (CFPB). CFPB would go on to file a formal injunction on the basis that, "Corinthian's business model is predicated on convincing consumers to obtain student financial aid to pay the high cost of tuition to enroll in its programs". Investigators found that Corinthian referred internally to its students as having "[m]inimal to non-existent understanding of basic financial concepts," as well as poor or no credit history. CFPB alleges that by enrolling these students and encouraging them to apply for federal student aid, Corinthian had defrauded the students and violated the public trust in college credentials. Although Corinthian vigorously denied the charges, the CFPB's claim was part of an investigation onslaught that eventually led to the federal Department of Education (ED) negotiating a forced closure of Corinthian Colleges. At the time of this writing, enrollment has stopped at most campuses and various deals are being negotiated to either 1) sell Corinthian to a new owner or 2) close out the campuses in a phased closure. As a state-supported college, taxpayers paid for UNC athletes to get grades they did not earn. As a private, for-profit college taxpayers subsidized the student loans that students took out to pay for classes they perhaps did not want. The UNC case resulted in bad publicity but little regulatory sanction while the case of Corinthian College led to regulatory sanctions at the state and federal level that would potentially close the entire system of national schools. How do we understand the difference in the scope and response to illegitimate activities undertaken at two different colleges like UNC and Corinthian Colleges? That is a question that approaches the tension of how credentials can be both successful and not entirely legitimate at scale. An analysis of the grounds on which state, federal and consumer agencies formally contest for-profit colleges' legitimacy finds the account of necessity (as opposed to good) is vulnerable to objective measures. This makes for-profit colleges vulnerable to critique and even moreso as they expand into upmarket credentials.

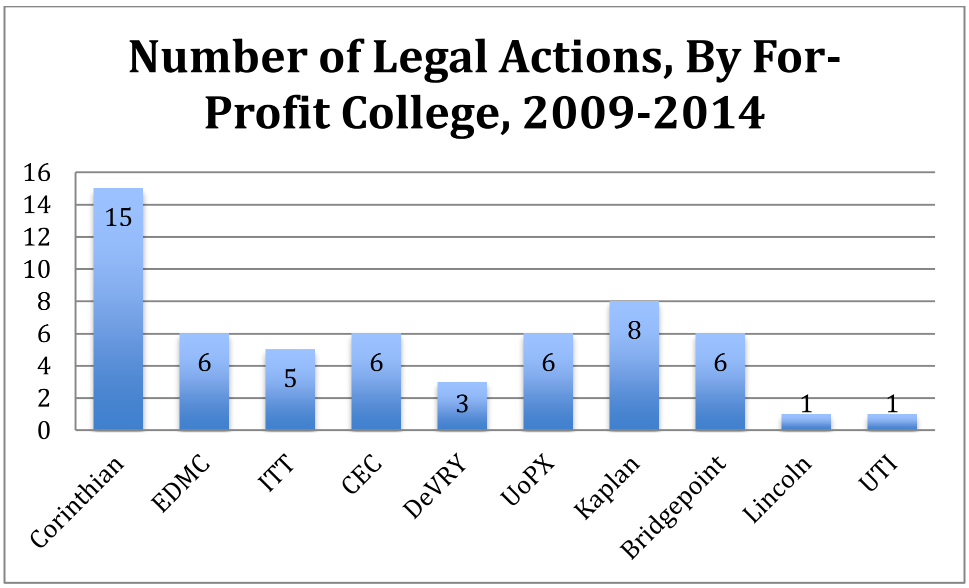
For an idea of how and why state, federal and consumer actors have critiqued for-profit colleges I analyzed a census of all legal actions taken against the sector since 2009. The initial database has 74 cases distributed across state (e.g. attorney's general), federal (e.g. ED, SEC, Federal Trade Commission) and consumer agencies:

Figure 14. Legal Actions Against For-Profit Colleges, By Authority Level 2009-2014



At the most cursory level it is clear that a great deal of the for-profit college legitimacy crisis is waged through state actors, and followed by federal actors and with consumer agency actors a distant third. Shareholder for-profit colleges dominate this list but it also includes privately owned for profit colleges (e.g. FastTrain College, Premier College). Once I eliminated all privately owned for-profit colleges there were 55 legal actions taken against ten shareholder for-profit colleges:

Figure 15. Number of Legal Actions, By For-Profit College, 2009-2014



Because for-profit colleges historically dominate in conferring sub-baccalaureate non-degree certificates (as opposed to “degrees”), I first consider if this location in the higher education universe is related to legal actions. I classified each for-profit college that has had legal action taken against them by the degree level of the majority of credentials conferred in the 2012 statistics recorded with the National Center of Education Statistics:

Table 16. Legal Actions, For Profit College Sector, By Proportion of Degrees Conferred

Degree Level, Majority Conferred	Institution	Total Legal Actions
Certificates	Corinthian EDMC Lincoln UTI	23
Bachelors	ITT CEC DeVry University of Phoenix (UoPX) Bridgepoint	26
Graduate	N/A	0

Among all shareholder for-profit colleges that have had a state, federal, or consumer agency legal action taken against them, those that primarily operate in the conferral of bachelor's degrees have more aggregate number of legal actions. The most severe action – forced closure – has been taken against just one school, Corinthian Colleges. Corinthian Colleges primarily confers certificates and sub-baccalaureate degrees. None of the institutions that primarily confer graduate degrees (e.g. Capella University) appear in this database. I interpret these findings through legitimation accounts. The for-profit colleges that operate in the market dominated by traditional higher education institutions appear to have more problems developing an acceptable legitimation account that would make them impervious to "claims that they are negligent, irrational or unnecessary". The legal action totals are quite close between certificate and bachelor's granting schools. However, once we remove the single institution to incur the most severe regulatory sanctions – Corinthian College – we get a slightly different picture. Without Corinthian College's 15 legal actions in the total, certificate granting colleges have just eight legal actions to bachelors degree institutions' 26. The greater number of institutions in the bachelor's degree category may account for some of that difference. But it remains true that there are both more bachelors' degree institutions on the list and that said institutions have more legal actions taken against them. A conservative interpretation of these data suggests that the more for-profit colleges inch towards an organizational structure similar to that of traditional colleges, the more they invite comparisons of their respective legitimation accounts. It is worth noting that traditional colleges that confer bachelors' degrees would include the most elite institutions in all of higher education. The status differences among elite traditional colleges (at the graduate degree level) may be so far in prestige from those conferred by for-profit colleges, that for-profit colleges could not be considered encroaching on their legitimation account. Take for example a recent study that found the majority of all tenure track job placements were recruited from a handful of elite traditional college PhD programs (Clauset et al 2015). The juxtaposition of different legitimacy accounts is less stark when institutional sectors are not competing for status. There is some evidence that critical gatekeepers are generally dismissive of for-profit credentials but do not have the knowledge or tools to discern for-profit degrees from traditional college degrees. The term "for-profit college" does not resonate with many prospective employers or students. When I attended a Census data workshop in 2013, senior executives said that they tested questions about for-profit college attendance for a survey on continuing education. They found the question unreliable because so few respondents could identify the profit status of their institution or any other. Public Agenda conducted a survey of employers and for-profit college students in 2012 (Hagelskamp, Schleifer and Distasi 2014). They found that about half of the employers surveyed see few differences between for-profit and not-for-profit colleges. The other half typically view public institutions as superior on a number of counts. For example, 41 percent say public universities do a better job of preparing students to work at their organizations. Among current students, 65 percent did not know they attend a for-profit college and 63 percent of alumni could not identify their former institution as a for-profit. For-profit status matters to critical actors only when they know what the status is. That is one way to understand the trajectory of competing institutional legitimacy accounts. As institutional differentiation becomes both less clear and more salient to the perception of status, the respective legitimacy accounts undergo more scrutiny. More simply, as long as for-profit colleges' certificates are commonly understood as clearly different from those conferred by elite higher education institutions, they are less likely to face scrutiny of their legitimacy accounts.

Qualitative analysis of the legal actions gives us an idea of how these institutions are perceived to have failed at executing their right and proper duties. By examining the grounds on which for-profit colleges' legitimacy is contested, we can reverse-engineer how critical actors view the legitimacy account of for-profits' proper or necessary role. Far and away, legal and regulatory actors critiqued for-profit colleges on the grounds that they defrauded the public by misreporting job placement statistics and they misled prospective students using an aggressive recruitment process. The consistency of the discursive framing across all 74 accounts, from various states and regulatory bodies is notable. The discursive account says that for-profit colleges:

> [Corinthian Colleges] is selling these expensive programs to students throughout California, *many of whom head single parent families* and have annual incomes that are near the federal poverty line" (California Attorney's General 2013, emphasis added)

In a Colorado consumer agency claim against Education Management Corporation's Argosy doctoral program:

> In reality, the Defendants induced students to enroll into the EdD-CP program, knowing that licensure was material to the students' decisions, and *recklessly and willfully* failed to ensure that the EdD-CP program would lead to licensure as a psychologist in Colorado. (2012 emphasis added)

In New Mexico, the state's attorney general in a claim against ITT Technical Institute includes:

> Students who enroll in any ITT program are required to sign a document entitled "Enrollment Agreement." The ITT Enrollment Agreement is a standardized contract prepared by ITT for acceptance by any student who enrolls in ITT's programs in New Mexico. *Students have no input as to the language of the Enrollment Agreement and no opportunity to bargain or negotiate any terms* of the Enrollment Agreement. (2013, emphasis added)

These complaints construct the for-profit colleges' violations as ones of public trust as much as they do violations of regulations or procedures. It should be noted that any college, for-profit or traditional, that confers workplace-oriented credentials are responsible for the same federal and state disclosure regulations. However, it is difficult to imagine a community college being charged with violating the public's trust in the same discursive language that emerges from these complaints. Take a Massachusetts attorney's general description of Corinthian as "subsist[ing] largely on taxpayer-backed loans to students" (2014). Much of U.S. higher education relies on taxpayer-backed loans to students and other indirect and direct tuition subsidies. The Colorado Attorney General office characterizes Argosy[19] as reckless for launching doctoral degree programs with no support for the advertised job market outcomes (2013). But, there are similar claims about the over production of PhDs among traditional colleges. Argosy's parent

---

19 Argosy's parent company is EDMC. Even though this state claim was made based on a doctoral degree program, the majority of EDMC's degrees are conferred at the sub bachelor's degree level. My earlier claim about graduate degree granting institutions stands but I do discuss the complexities further in the argument.

company, EDMC, was pursued in another case because “colleges should not misuse federal education funds by paying improper incentives to admissions recruiters” (2011). Admissions’ bonuses are specific regulatory breaches but misusing federal education funds is a claim suitably broad enough to encompass a range of activities in which all colleges and universities could be found guilty. Federal regulators sued ITT Technical Institute for misrepresenting students about the accreditation of a new bachelor of nursing program. The claim uses particularly strong wording for the marketing materials that “deceived or tended to deceive students”. For-profit colleges’ marketing materials are frequently critiqued in legal case documents and press releases announcing the legal actions. These “false claims” are said to mislead students that for-profit colleges refer to in their internal documents as having “low self esteem” and “bad decision-making skills”. The marketing materials make an implicit promise of credibility that will translate to employers and other higher education institutions. Legal claims against for-profit colleges and press accounts of them are argued on the basis of 1) explicit appeals to statistics, 2) implicit claims to legitimacy, and 3) the responsibility to the public good.

For-profit colleges’ legitimacy accounts are more frequently scrutinized as their credentials encroach upon the domain of traditional higher education credentials. Re-asserting the sector’s distinctiveness as necessary (as opposed to good and desirable) is part of every legal action in this analysis. For-profit colleges are cast as job training institutions, even when they confer high status doctoral degrees. The audience is reminded that these schools rely on public tax dollars and “owe” the public something for that investment. All of these things are also true of traditional higher education institutions, objectively. It is the subjective construction of legitimacy that differs and this is the discursive ground through which legal and regulatory actions are waged.

The legitimation account of for-profit colleges seems to be grounded in their being a necessary evil. Students want them, as evidenced by their successful enrollment numbers. And, political actors have spent considerable energies legitimizing the “skills gap” narrative. The skills gap narrative argues, that unemployment figures in the U.S. can be rectified through greater educational attainment. For-profit colleges have used the skills gap argument to argue that they serve a necessary economic function. By providing the unskilled with skills (at a price), for-profit colleges draw on a successful legitimacy account of politics and economic policy. But, the grounds of that legitimacy account become the same grounds on which for-profit colleges are found improper. For-profit colleges’ contribution to the “public good” stems from the sector’s professed utility to labor markets. This legitimacy account determines a sphere of acceptable actions insofar as those actions correspond with objective evidence of job market placements and subjective interpretation of job market value. For many reasons, for-profit college students are less likely to complete their educations than are students at traditional colleges (Cellini and Chaudhary 2012). Some for-profit colleges have dropout rates as high as 65 percent. So do some community colleges and historically black colleges (HBCUs) and other institutions that serve students with numerous risk factors for non-completion. But, whereas traditional colleges’ legitimation account includes an appeal to their role in social mobility and social reproduction, their dropout rates and job placement rates are not the singular objective measure of their legitimacy. The vast majority of for-profit colleges do not have dorms, student unions and other expensive real estate holdings

(Tierney and Hentschke 2007). That makes for-profit colleges a good financial investment because real estate eats into profit. But real estate is also how residential colleges provide student services. And many of those student services buffer the value of college even when students drop out, incur significant debt, or do not land jobs commiserate with their educational costs. In contrast, for-profit colleges' singular claim to legitimacy is its correspondence with labor market returns. Public money is invested in that legitimacy account, albeit begrudgingly by some, based on a social account of education as a universal prescription for economic inequalities in job mobility and depressed wages.

For-profit colleges' legitimacy account is one of *necessity* as opposed to good. Whereas, even the most expensive traditional colleges of any objective measure of quality benefits from a legitimacy account that they are right and proper, for-profit colleges must consistently prove that they are necessary. The means by which they prove this lends itself to violations of the education gospel. Aggressive marketing and enrollment practices satisfy shareholder profit imperatives but run afoul of the taken-for-grantedness of higher education. Aggressive marketing, by definition, calls attention to the fact that for-profit colleges cannot take for granted their social role. Marketing such as American Intercontinental University's branding itself as "Serious U" juxtaposes it with tropes of parties at traditional colleges. These comparisons draw attention to the sector's legitimation account through comparison with the traditional sector's taken-for-grantedness *if one has the cultural capital to discern that legitimacy matters to college returns*. Again, few in the general public seem aware of what for-profit colleges are while researchers and policymakers are fairly engaged with them. The very activities that attract students who do not know the difference between for-profit and traditional colleges are red flags cast before a charging bull for the audiences who *do* know that there is a difference (see: academics and regulators).

In this chapter, I argue that for-profit colleges manage multiple legitimation accounts because they do not conform to the cultural account of real college. Managing multiple accounts makes them more vulnerable to valuative inquiries. Those valuative inquiries are represented here as the discursive accounts used in legal and regulatory actions of wrongdoing. These valuative inquiries are remarkably consistent in how they depict for-profit colleges' as utilitarian as opposed to a public good. The utility-public good dichotomy may better account for the sector's legal woes than the objective measures of their wrongdoing. This is particularly true given that traditional colleges have performed activities that could be construed as misuse of public monies and faith without incurring sanctions or compromising the legitimation account of the education gospel.

CHAPTER SIX: PIECING TOGETHER THE PUZZLE OF FOR-PROFIT COLLEGE EXPANSION

This analysis began with a stylized question drawn from countless engagements with publics about colleges that operate in the market to extract profit from tuition revenue: are they *real* colleges? When we understand realness to be about the social construction of legitimacy, that question becomes: does the for-profit college sector's prevailing discourse situate it within "some socially constructed system of norms, values, beliefs, and definitions" (Suchman 1995:574) of real college? While the question may be interesting, I have argued that becomes an even more critical question when we unpack 1) what for-profit colleges are 2) who they enroll and 3) and to what ends they enroll. For-profit colleges are an iteration of higher education expansion that occurs in the market as opposed to the state or the church and disrupts the historical indexing of price to institutional prestige. Between 1995 and 2011, for-profit college enrollment expanded by 225 percent as traditional college enrollment remained relatively flat at 31 percent. Deming, Goldin and Katz calculate that "for-profit colleges were responsible for nearly 30 percent of total growth in postsecondary enrollment and degrees awarded in the first decade of the twenty-first century" (2013:138). So, our questions about for-profit colleges are driven, to some degree, by their rapid growth relative to traditional higher education… but so what? At face value, greater educational opportunity is a net social and individual good. Why look a gift education horse in the mouth? I argue that the question of expanded access is about "access to what and for whom", to borrow from Garrity et al. Students in for-profit colleges are more likely to come from social locations long examined as disadvantaged. African American, poor, female and other "non-traditional" college students are disproportionately enrolled in for-profit colleges. Those students tend to have less economic and cultural capital that smooth over potholes on the road to degree completion and labor market entry. And, on average, these students pay more for their college aspirations in the for-profit college sector. Published tuition rates from a 2012 Senate HELP report finds tuition at for-profit colleges can be twice that of comparable degrees in the public traditional college sector. Cellini and Goldin find evidence that for-profit colleges who administer federal student aid raise tuition prices to match maximum student loan limits as compared with for-profit colleges that do not participate in federal student aid programs. Additionally, for-profit colleges rarely discount published tuition (e.g. institutional grants, scholarships, subsidies). Tuition discounting, although increasingly a heated debate among policy analysts, means that many students in traditional colleges rarely pay the full, published tuition price. And, because 97 percent of for-profit college students use federal student aid programs (compared with 56 percent in the traditional college sector), much of that high tuition cost is financed through student loans and federal grants designed to alleviate poverty's effects on college access. Debt is a concern because it is relative, not absolute. Few people worry about medical students from top tier medical schools carrying six figure student loan debts because the expectation is that the labor market returns justify the cost. Can we say the same about for-profit college students? The most generous interpretation of recent studies that investigate labor market returns to for-profit college credentials have shown a mix of negative and neutral results on relative wage gains across sectors (Cellini and Chaudhary 2012; Chung 2009; Darolia et al 2014; Deming Goldin Katz 2012; Lang and Weinstein 2013). At best, completing a for-profit college credential is better than having no credential at all. But, completing is more difficult because of those structural disadvantages that for-profit students disproportionately bring with them to college. By some measures, more than half of the students at some of the largest for-profit colleges do not complete. For non-completers, there is no evidence of increase labor market returns to "some education", an attainment level that has proven to have positive returns to traditional college attendance. Additionally, there is anecdotal evidence that for-profit college degrees are not viewed favorably in traditional college graduate admissions or their credits in transfers between sectors. In effect, starting in a for-profit college can cost the most vulnerable students time, money and opportunity costs. This could create a captured market of students with increased demand for more credentials with labor market returns cannot bear the cost of their student loan debt. Together, this could explain why, despite surveys that most students in for-profit colleges are happy with their institutional choice, they comprise over half of student loan defaults despite being 30 percent of debt holders.

Given these contextual factors, the question of if for-profit colleges are real colleges can be more precisely understood as: Are the institutions that represent a significant proportion of all U.S. higher education expansion in the 21st century producing legitimate credentials for the structurally disadvantaged status groups that enroll in them? This case study addresses that question by refining a dominant theory of educational expansion to include the ways in which higher education organizations become legitimate forms of expansion. Legitimacy refers to the "degree of cultural support for an organization" (Meyer and Scott 1983:201). Organizations court cultural support for its activities primarily through discursive texts. These discursive texts provide accounts of why and how they exist. Extant literature shows that organizations that do not conform to the cultural cognitive assumptions of taken-for-grantedness produce 1) more discourses and 2) and different accounts for different audiences. These legitimation accounts are textual corpuses produced by organizational actors to resist or redefine external valuative inquiries of the organization's right and proper role in the social order.

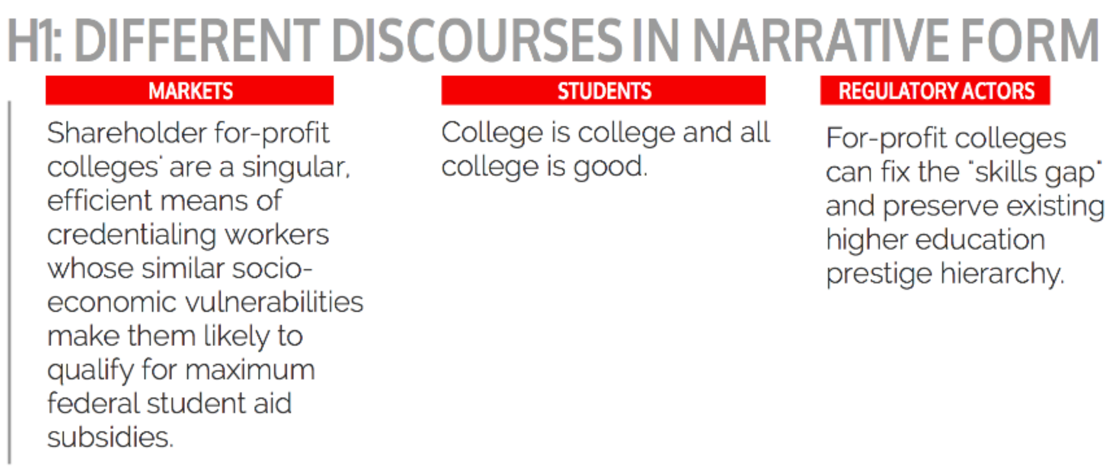
Drawing on several case studies of traditional higher education, I use Grubb and Lazerson's summation of the taken-for-granted legitimation account of traditional higher education. The education gospel legitimation account in narrative form proposes that education produces "personal and public economic wealth and solv[ing] a myriad of social problems" (Herschbach 2006:69 see also: Grubb and Lazerson 2005). If for-profit colleges are viewed as something other than real colleges, we should expect to see for-profit college organizations produce multiple legitimation accounts that justify their existence and comparative accounts that either draw on or refute the education gospel account. And, those accounts should use discursive constructions of status groups and labor markets to justify or define their organizational practices per Brown's theory of credential expansion. With these analytical frameworks in place, the question became where and how to observe these legitimation accounts.

To address that question, I returned to the greater political economy of for-profit college expansion. Its Wall Street Era of expansion began in the mid 1990s and was part of an era of academic capitalism writ large. Academic capitalism is the means by which new organizational structures and expanded managerial capacity link higher education institutions and markets (Slaughter and Rhoades 2009). Within that larger framework of marketized higher education, for-profit colleges leveraged concomitant processes of financialization that were shaping the markets to which higher education are increasingly wedded. Financialization is the process by which profit accrues through progressively complex financial exchanges as opposed to capital exchanges. While traditional colleges ramped up patent production to participate in capital markets, for-profit colleges uses financialized capital to produce symbolic credentials for profit. The processes are inextricably bound but contoured by the sectors' different characteristics. In this financialized sub-sector of academic capitalism, two audiences stand out as critical to educational expansion: markets and students. Shareholder organizations "symbolize the defining characteristic of the current era" of for-profit higher education (Kinser 2006:39) making the Securities and Exchange Commission an increasingly important regulator in higher education. And, for-profit colleges derive up to 90 percent of their revenue from tuition and spend more on recruitment than on instruction. Taken together, markets and students are the primary means by which shareholder for-profit colleges financialized and generate nearly all of their profits. Therefore, I looked to the legitimation discourses produced for the singular regulator agency in U.S. markets – the Securities and Exchange Commission – as well as the single most important organizational function for profit generation, i.e. the student admission process. With this case design, I expected to find:

Hypotheses: For-Profit College Legitimation Accounts

Hypothesis	Corresponding Literature
H1: Because the sector has not achieved taken-for-grantedness, the for-profit college legitimation account should vary by audience	Greenwood et al (2002) Johnson, Dowd, and Ridgeway (2006) Meyer, Buber and Aghmanoukjan (2013)
H2: The for-profit college sector's legitimation account(s) should leverage occupational and professionalization correspondences but minimize public good discourse.	Deephouse and Suchman (2008) Maguire et al (2004) Tolbert and Zucker (1996)
H3: Because it is being contested, for-profit colleges should leverage comparative account strategies	Elsbach (1994) Meyer, Buber and Aghmanoukjan (2013)

First, I find evidence of multiple legitimation accounts, including a counter account produced in response to legal actions taken against for-profit colleges:



This confirms hypothesis one and provided evidence of possible domains for hypotheses two and three.

These for-profit colleges primarily used justification forms for market audiences. This included presenting themselves as singular point of college access as traditional higher education refused (or was unable) to expand to accommodate increased demand. Comparative account strategies were most notable when for-profit colleges used their regional accreditation status as a proxy for institutional quality on par with traditional colleges. Unlike Brown's case study, I found little evidence that professional enclosure played a role in the legitimation accounts of for-profit colleges. The only instances of professional association (e.g. American Psychological Association) in these data are presented as obstacles to overcome in credentialing in new fields. I attribute this difference to the characteristics of the new economy. One such condition relates to internal labor markets and careers. Micheal Piore argues that the "narrow concept of internal labor markets associated with large, bureaucratic enterprises appears to be less relevant in the new economy" (2001:271). Workers can expect to move in, out and across occupational groups over a career course. This may have weakened the salience of professional organizations that, in part, defined their boundaries by career ladders and bureaucratic organizations.

For students, for-profit colleges used almost no comparative account strategies. Instead, they leveraged the education gospel as a justification account. This could partially explain why 65 percent did not know they attend a for-profit college and 63 percent of alumni could not identify their former institution as a for-profit college. At no point in the enrollment process is this distinction made and there is no competing legitimation narrative of institutional prestige differences to suggest it has meaning even if it were.

The only exception to the lack of comparative and justification accounts in the enrollment process happened at one for-profit college, American Intercontinental

University (AIU). AIU used a comparative account strategy ("SeriousU") to juxtapose its serious career focus with the presumed party atmosphere of traditional colleges. In summary form, these findings are:

H1 and H2: Discursive Forms, By Analytical Domain and Audience

	Status Cultures	Labor Markets	Organizations
SEC	+	+	-
Enrollment	n/a	n/a	n/a
Legal Actions	+	+	n/a

H3: Comparative Account Strategies, By Analytical Domain and Audience

	Status Cultures	Labor Markets	Organizations
SEC	+	+	-
Enrollment	+	-	-
Legal Actions	+	+	-

In response to federal, state and consumer advocacy actions filed against them, these for-profit colleges leveraged a utility account to as justification. The utility account, in narrative form, says that for-profit colleges may not serve a public good but they do provide address the "skills gap" in the labor market. The skills gap narrative is a powerful one. It draws on sociological and economic research about technological change in labor markets, especially the effects of that change on middle class job stagnation. For-profit colleges leverage a legitimation account produced by elite political and economic actors to counter those same actors' valuative inquiries of the sector. However, the utility account presents a problem for these for-profit colleges that the education gospel solved for traditional colleges. The utility account provides clear quantitative performance and quality measures, e.g. job placements and labor market returns. And, financialization constrains investments in the subjective measures of legitimacy that could prevent valuative inquiries of objective performance and quality, e.g. college athletics and social clubs. For this reason, I conclude that for-profit colleges do not aim for a single legitimation account to shield it from valuative inquiry. Instead, they have invested in the production and maintenance of multiple legitimation accounts as a long-term operational strategy. To do anything else would be to violate its financial imperative to produce quarter-over-quarter growth. Given this, the for-profit college's status of "real" college is unlikely to be resolved even as for-profit colleges persist.

This analysis cannot address how actors perceive these various legitimation accounts. I do not assign cognitive processes/intent to discursive texts (Haack and Prasad 2011). These data *can* speak to the political economy of educational expansion. In that political economy the hegemonic narrative of higher education is that all education is good education. Educational attainment is an individual good, a public good and a social good. Not only are individuals right to pursue higher education but increasingly the narrative has become that individuals *should* pursue higher education (see: Obama's Presidential Address 2012 and critiques from Rosenbaum 2001). Within in that account there is no discourse about qualitative differentiation or the idea that some education may not be worth the investment. Possessing the capital (be it cultural, social or economic) to discern those differences is a function of wealth and privilege. Regulators have proposed various reforms, almost all of them involving addressing information asymmetries (US Senate 2012). They argue that for-profit college recruiters should be required to disclose labor market statistics, for example. But labor market statistics align with ontological assumptions that “college” equals “traditional college”. Those data are unlikely to clarify the qualitative differences that appear to apply to for-profit college credentials. But, even if we were to manage a reform that required for-profit colleges to disclose the returns to their credentials the discourse to do so would violate the education gospel. To make meaningful reforms of for-profit college practices, there must be 1) a collective account of educational attainment as something other than a right, moral and assumptive behavior and 2) other practicable options for workforce training. There does not appear to be much political will for advancing a narrative in which so much economic and political capital has been invested. And, the broader neo-liberal project (or which financialization is a part) continues to pick apart alternatives to credentials for workforce training. That could be why for-profit colleges are not particularly worried about valuative inquiries. Take this discourse from a leading for-profit college sector investment analyst for a major Wall Street bank:

> Despite several new proposals from the administration in 2015 regarding higher education, only marginal changes, including more safeguards for student borrowers can be accomplished through executive action. The bolder proposals, including dischargeable student loans, expanded income based repayment models and "free" community college would require cooperation from a generally unwilling Congress, and thus are unlikely to be implemented. Likewise, a Republican effort to pass legislation barring executive actions on Gainful Employment and a college ratings system are almost certain to be vetoed if passed. (Analyst, private communication, 2015)

The analyst recommended that investors hold and/or buy, because legitimation crises are unlikely to affect the bottom line. Similarly I conclude that given the political and cultural capital spent legitimizing the taken-for-granted account of the education gospel as an omnipotent social prescription, it is difficult to see a path for actors to entirely delegitimize for-profit colleges. The ongoing crisis-growth of the sector's legitimacy reflects the political trade-offs that maintain that tension.

Contributions

Because "educational social science tends to privilege four-year residential education…as the ideal expression of higher education", the for-profit era of higher education expansion has not been subjected to the range of theoretical and empirical tests that one might imagine. With millions of students in the sector and billions of dollars flowing from tax coffers to shareholders, this study treats the for-profit college sector as a central player in U.S. higher education. Further, social science's emphasis on individual level measures does not observe structural conditions that produce the supply-demand aspects of higher education. This study's use of credentialing theory contributes a structural analysis to the literature on for-profit higher education and a sector-level analysis to stratification literatures that have rarely observed for-profit colleges. Credentialing theory is also a way to consider not just how for-profit colleges expand but how they might reproduce stratification. For example, correspondence between for-profit college expansion and deteriorating internal labor markets is a way to analytically approach how greater educational attainment might negatively affect mobility among low status groups. Additionally, this study refines one of the mechanisms of credentialing theory: how credential expansion becomes normative. This also adds to a growing body of research that uses one of the few proposed mechanisms for how legitimacy is discursively produced. The extra-institutional conditions of higher education are among some of the most unique and complex of institutional fields. Applying legitimation theories to this context bolsters claims about their utility for organizational research.

Limitations

This study did not aim to build new theories of educational expansion. Instead, it is an interpretative case study of grounded in credentialing and legitimacy theoretical frameworks. This could lead to overstating the relationship among the patterns identified in the analysis. Also, organizations' legitimation accounts can vary by audience. This study does not observe legitimation accounts in public discourse (e.g. media accounts). This could refine or refute some of the relationships identified in this analysis, especially given data that most people do not know what for-profit colleges are or how they differ from traditional colleges (Hagelskamp, Schleifer and Distasi 2014). Finally, interpretative coding schemes conducted by one researcher are always prone to reliability concerns. I checked frequently with colleagues over the two years that I worked on this project. I also reviewed intermittent findings with for-profit executives, other higher education researchers and social scientists. Still, internal validity tests and multi-investigator analysis could benefit the reliability of these results.

Future Research

Throughout this project, I reference how many questions remain unanswered about the for-profit college era of higher education expansion. Future research plans includes empirical analysis of occupational linkages. In particular, I am intrigued by the contradictions of for-profit colleges' penetration of the healthcare field. At the time of that occupational hierarchy, the American Medical Association has successfully blunted for-profit medical schools. Given the numerous accounts of medical doctor shortages and undersupply of medical school training that is a notable achievement. But at the other end of that occupational hierarchy, for-profit colleges have made significant inroads into allied health certification, i.e. medical coders, osteopathic, dental hygienists, nursing assistants etc. Any stratification scholar worth his or her salt would immediately note the gendered difference among these occupations. Next steps include a comparative case study of credentialing accounts used to stave off for-profit medical schools while expanding for-profit allied health programs.

More broadly, stratification research should attend to the qualitative differentiation between institutional sectors of higher education. Given the macro context of the new economy, there are bound to be ripple effects that extend beyond the Ivy League or even our own institutional milieus.

REFERENCES

Althauser, Robert P. 1989. "Internal Labor Markets." *Annual review of sociology* 143–61.

Anderson, James D. 1988. *The Education of Blacks in the South, 1860-1935*. Chapel Hill: University of North Carolina Press.

Autor, David. 2014. "Skills, Education, and the Rise of Earnings Inequality Among the." *Other* 99:843–351.

Ayalon, Hanna and Yossi Shavit. 2004. "Educational Reforms and Inequalities in Israel: The MMI Hypothesis Revisited." *Sociology of Education* 77(2):103–20.

Ayalon, Hanna and Abraham Yogev. 2005. "Field of Study and Students' Stratification in an Expanded System of Higher Education: The Case of Israel." *European Sociological Review* 21(3):227–41.

Bailey, Thomas, Norena Badway, and Patricia J. Gumport. 2001. "For-Profit Higher Education and Community Colleges."

Baker, Dean, Andrew Glyn, David R. Howell, and John Schmitt. 2004. "Labor Market Institutions and Unemployment: Assessment of the Cross-Country Evidence." *Fighting unemployment: The limits of free market orthodoxy* 72–118.

Bernstein, Mark F. 2001. *Football: The Ivy League Origins of an American Obsession*. Philadelphia: University of Pennsylvania Press.

Blau, Peter M. and Otis Dudley Duncan. 1967. "The American Occupational Structure." Retrieved April 3, 2015 (http://eric.ed.gov/?id=ED066526).

Blumenstyk, Goldie. 2014. *American Higher Education in Crisis?: What Everyone Needs to Know*. Oxford University Press. Retrieved April 3, 2015 (https://books.google.com/books?hl=en&lr=&id=e_JwBAAAQBAJ&oi=fnd&pg=PR3&dq=blumenstyk&ots=mYOUdHdEdZ&sig=N_pv_yLvr0fYeyJFGGFIceHLm88).

Breen, Richard. 2010. "Educational Expansion and Social Mobility in the 20th Century." *Social Forces* 89(2):365–88.

Brint, Steven and Jerome Karabel. 1989. "The Diverted Dream." *Community Colleges and the Promise of Educational Opportunity in America, 1900-1985*.

Brown, David K. 2001. "The Social Sources of Educational Credentialism: Status Cultures, Labor Markets, and Organizations." *Sociology of Education* 74(Extra Issue):19–34.

Cellini, Stephanie Riegg and Latika Chaudhary. 2012. *The Labor Market Returns to a for-Profit College Education*. National Bureau of Economic Research.

Cellini, Stephanie Riegg and Claudia Goldin. 2012. *Does Federal Student Aid Raise Tuition? New Evidence on for-Profit Colleges*. National Bureau of Economic Research.

Charles, Camille Zubrinsky. 2009. *Taming the River Negotiating the Academic, Financial, and Social Currents in Selective Colleges and Universities*. Princeton: Princeton University Press. Retrieved March 25, 2015 (http://public.eblib.com/choice/publicfullrecord.aspx?p=457705).

College Board Advocacy and Policy Center. 2012. *Trends in College Pricing*.

Collins, Randall. 1979. *The Credential Society: An Historical Sociology of Education and Stratification*. New York: Academic Press.

Cross, Harry M. 1973. “College Athlete and the Institution, The.” *Law and Contemporary Problems* 38:151.

Deephouse, David L. and Mark Suchman. 2008. “Legitimacy in Organizational Institutionalism.” *The Sage handbook of organizational institutionalism* 49:77.

Deil-Amen, Regina. 2012. “The ‘traditional’ College Student: A Smaller and Smaller Minority and Its Implications for Diversity and Access Institutions.” Mapping Broad-Access Higher Education conference, Stanford university, Stanford, CA. Retrieved from http://cepa. stanford. edu/sites/default/files/2011.

Deming, David J., Claudia Goldin, and Lawrence F. Katz. 2013. “The For-Profit Postsecondary School Sector: Nimble Critters or Agile Predators?” *Journal of Economic Perspectives* 26(1):139–64.

DiPrete, Thomas A., Dominique Goux, and Eric Maurin. 2002. “Internal Labor Markets and Earnings Trajectories in the Post-Fordist Economy: An Analysis of Recent Trends.” *Social Science Research* 31(2):175–96.

Elsbach, Kimberly D. 1994. “Managing Organizational Legitimacy in the California Cattle Industry: The Construction and Effectiveness of Verbal Accounts.” *Administrative science quarterly* 57–88.

Fuller, Bruce and Richard Rubinson. 1992. *The Political Construction of Education: The State, School Expansion, and Economic Change.* Praeger Publishers: New York.

Garrity, Bonnie K. Fox, Mark J. Garrison, and Roger C. Fiedler. 2010. "Access for Whom, Access to What? The Role of the 'disadvantaged Student' Market in the Rise of for-Profit Higher Education in the United States." *Journal for Critical Education Policy Studies* 8(1):202–44.

Greenwood, R. and C. R. Hinings. 1996. "Understanding Radical Organizational Change: Bringing Together the Old and the New Institutionalism." *Academy of management review* 1022–54.

Greenwood, Royston, Roy Suddaby, and Christopher R. Hinings. 2002. "Theorizing Change: The Role of Professional Associations in the Transformation of Institutionalized Fields." *Academy of management journal* 45(1):58–80.

Guryan, Jonathan and Matthew Thompson. 2010. "Report on Gainful Employment." *Charles River Associates, April* 2. Retrieved April 3, 2015 (http://m.whitehouse.gov/sites/default/files/omb/assets/oira_1840/1840_04232010-h.pdf).

Hellgren, Bo et al. 2002. "How Issues Become (re) Constructed in the Media: Discursive Practices in the AstraZeneca Merger." *British Journal of Management* 13(2):123–40.

Hentscke, Guilbert C., Vicente M. Lechuga, and William G. Tierney, eds. 2010. *For-Profit Colleges and Universities: Their Markets, Regulation, Performance, and Place in Higher Education*. Stylus Books.

Herschbach, Dennis R. 2006. "Under Review - The Education Gospel: The Economic Power of Schooling." *Journal of Industrial Teacher Education* 43(3).

Hirsch, Paul M. 1986. "From Ambushes to Golden Parachutes: Corporate Takeovers as an Instance of Cultural Framing and Institutional Integration." *American journal of Sociology* 800–837.

Hirsch, Paul M. and John A. Andrews. 1983. "Ambushes, Shootouts, and Knights of the Roundtable: The Language of Corporate Takeovers." *Organizational symbolism* 1:145.

Iloh, C. I. and W. G. Tierney. n.d. "Understanding for-Profit and Community College Choice through Rational Choice." *Teachers College Record*.

Institute for Higher Education Policy. 2012. *A New Classification Scheme for For-Profit Institutions*. Retrieved August 12, 2012 (http://www.ihep.org/publications/publications-detail.cfm?id=154).

Johnson, Cathryn, Timothy J. Dowd, and Cecilia L. Ridgeway. 2006. "Legitimacy as a Social Process." *Annual Review of Sociology* 32:53–78.

Kalleberg, Arne L. 2011a. “Good Jobs, Bad Jobs.” *New York, NY: Russell Sage Foundation*. Retrieved March 25, 2015 (http://www.cossa.org/annualmtg/2012/KallebergCOSSA2012.pdf).

Kalleberg, Arne L. 2011b. *Good Jobs, Bad Jobs : The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s*. New York: Russell Sage Foundation.

Karabel, Jerome. 2005. “The Chosen.” *The Hidden History ofAdmission and Exclusion at Harvard, Yale, and Princeton*.

Karabel, Jerome and Albert Henry Halsey. 1977. *Power and Ideology in Education*. Oxford University Press New York.

Kinser, Kevin. 2006. “Table of Contents - 2006 - ASHE Higher Education Report - Wiley Online Library.” *Special Issue: From Main Street to Wall Street: The Transformation of For-Profit Education* 31(5):1–155.

Kinser, Kevin. 2006. “What Phoenix Doesn’t Teach Us about for-Profit Higher Education.” *Change: The Magazine of Higher Learning* 38(4):24–29.

Kinser, Kevin. 2007. “Dimensions of Corporate Ownership in for-Profit Higher Education.” *The Review of Higher Education* 30(3):217–45.

Kinser, Kevin. 2010. *The Global Growth of Private Higher Education*. Wiley Subscription Services.

Kinser, Kevin and Daniel C. Levy. 2006. “For-Profit Higher Education: US Tendencies, International Echoes.” Pp. 107–19 in *International handbook of higher education*. Springer.

Kirst, Michael W. and Mitchell L. Stevens. 2015. *Remaking College: The Changing Ecology of Higher Education*. Retrieved March 25, 2015 (http://alltitles.ebrary.com/Doc?id=10991022).

Koller, Veronika. 2005. “Critical Discourse Analysis and Social Cognition: Evidence from Business Media Discourse.” *Discourse & Society* 16(2):199–224.

Krippner, G. R. 2005. “The Financialization of the American Economy.” *Socio-Economic Review* 3(2):173–208.

Kuronen, Marja-Liisa, Janne Tienari, and Eero Vaara. 2005. “The Merger Storm Recognizes No Borders: An Analysis of Media Rhetoric on a Business Manoeuvre.” *Organization* 12(2):247–73.

Labaree, David F. 1997. *How to Succeed in School without Really Learning: The Credentials Race in American Education*. New Haven, Conn.: Yale University Press.

Louis, K. S., K. Febey, and R. Schroeder. 2005. “State-Mandated Accountability in High Schools: Teachers’ Interpretations of a New Era.” *Educational Evaluation and Policy Analysis* 27(2):177–204.

Lucas, Samuel R. 2001. “Effectively Maintained Inequality: Education Transitions, Track Mobility, and Social Background Effects1.” *American journal of sociology* 106(6):1642–90.

Lucas, Samuel R. 2009. “Stratification Theory, Socioeconomic Background, and Educational Attainment A Formal Analysis.” *Rationality and Society* 21(4):459–511.

Maguire, Steve, Cynthia Hardy, and Thomas B. Lawrence. 2004. “Institutional Entrepreneurship in Emerging Fields: HIV/AIDS Treatment Advocacy in Canada.” *Academy of management journal* 47(5):657–79.

Matlhako, Mamamelela D. 2003. “The Effects of Education on Economic Growth: The Case of Botswana and South Africa (1970-1994).” Retrieved March 25, 2015 (http://www.africabib.org/rec.php?RID=313484171).

McCall, Leslie. 2001. “Sources of Racial Wage Inequality in Metropolitan Labor Markets: Racial, Ethnic, and Gender Differences.” *American Sociological Review* 520–41.

Meyer, John W., John Boli, George M. Thomas, and Francisco O. Ramirez. 1997. “World Society and the Nation-State.” *American Journal of sociology* 103(1):144–81.

Meyer, John W. and Brian Rowan. 1977. “Institutionalized Organizations: Formal Structure as Myth and Ceremony.” *American journal of sociology* 340–63.

Meyer, John W., W. Richard Scott, Brian Rowan, and Terrence E. Deal. 1985. *Organizational Environments: Ritual and Rationality*. Sage Beverly Hills, Calif.

Meyer, Michael, Renate Buber, and Anahid Aghamanoukjan. 2012. "In Search of Legitimacy: Managerialism and Legitimation in Civil Society Organizations." *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations* 24(1):167–93.

Morris, Martina and Bruce Western. 1999. "Inequality in Earnings at the Close of the Twentieth Century." *Annual review of sociology* 623–57.

Morrison, Sharon and William Neal Nelson. 2007. "Library Compliance Strategy for Regional Accreditation Standards: Using ACRL Higher Education Standards with the North Central Association, Higher Learning Commission." *College & Undergraduate Libraries* 14(2):45–63.

Mullen, Ann L. 2010. *Degrees of Inequality: Culture, Class, and Gender in American Higher Education*. JHU Press.

Nemec, Mark R. 2006. *Ivory Towers and Nationalist Minds: Universities, Leadership, and the Development of the American State*. University of Michigan Press Ann Arbor.

Odell, John S. 2001. "Case Study Methods in International Political Economy." *International Studies Perspectives* 2(2):161–76.

Popping, Roel. 2012. “Qualitative Decisions in Quantitative Text Analysis Research.” *Sociological Methodology* 42(1):88–90.

Quirke, Linda. 2009. “Legitimacy through Alternate Means: Schools without Professionals in the Private Sector.” *British Journal of Sociology of Education* 30(5):621–34.

Regina E. Werum and Lauren Rauscher. 2006. “How Status Competition Complicates Institutional Explanations Of Higher Educational Expansion: A Caribbean Case Study.” Pp. 239–80 in *The Impact of Comparative Education Research on Institutional Theory*, vol. 7, *International Perspectives on Education and Society*. Emerald Group Publishing Limited.

Reigner, Charles G. 1959. *Beginnings of the Business School*. Baltimore and Chicago: HM Rowe Co.

Rivera, Lauren A. 2011. “Ivies, Extracurriculars, and Exclusion: Elite Employers’ Use of Educational Credentials.” *Research in Social Stratification and Mobility* 29(1):71–90.

Rubinson, Richard. 1986. “Class Formation, Politics, and Institutions: Schooling in the United States.” *American Journal of Sociology* 519–48.

Rubinson, Richard and David Hurst. 1997. “A College Education for Any and All.” *Teachers College Record* 99(1):62–65.

Rubinson, Richard and John Ralph. 1984. "Technical Change and the Expansion of Schooling in the United States, 1890-1970." *Sociology of Education* 134–52.

Ruch, Richard S. 2003. *Higher Ed, Inc.: The Rise of the for-Profit University*. JHU Press.

Schneper, William D. and Mauro F. Guillén. 2004. "Stakeholder Rights and Corporate Governance: A Cross-National Study of Hostile Takeovers." *Administrative Science Quarterly* 49(2):263–95.

Schofer, E. and J. W. Meyer. 2005. "The Worldwide Expansion of Higher Education in the Twentieth Century." *American Sociological Review* 70(6):898–920.

Scott, Marvin B. and Stanford M. Lyman. 1968. "Accounts." *American sociological review* 46–62.

Scott, W. Richard. 2001. *Institutions and Organizations: Ideas and Interests*. 3rd ed. Los Angeles: Sage Publications.

Stevens, Mitchell. 2009. *Creating a Class*. Boston: Harvard University Press. Retrieved August 12, 2012 (http://www.hup.harvard.edu/catalog.php?isbn=9780674034945).

Stevens, Mitchell L. 2009. *Creating a Class: College Admissions and the Education of Elites*. Harvard University Press.

Stevens, Mitchell L., Elizabeth A. Armstrong, and Richard Arum. 2008. "Sieve, Incubator, Temple, Hub: Empirical and Theoretical Advances in the Sociology of Higher Education." *Annu. Rev. Sociol* 34:127–51.

Suchman, Mark C. 1995. “Managing Legitimacy: Strategic and Institutional Approaches.” *Academy of management review* 20(3):571–610.

Tierney, William G. and Guilbert C. Hentschke. 2007. *New Players, Different Game: Understanding the Rise of For-Profit Colleges and Universities*. Johns Hopkins University Press. Retrieved August 12, 2012 (http://muse.jhu.edu.proxy.library.emory.edu/journals/jhe/summary/v080/80.2.berg.html).

Tuchman, Gaye. 2009. *Wannabe U: Inside the Corporate University*. Chicago: University of Chicago Press.

U.S. Senate HELP Committee. 2012. *FOR PROFIT HIGHER EDUCATION: The Failure to Safeguard the Federal Investment and Ensure Student Success*. COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS, UNITED STATES SENATE.

Vaara, Eero and Janne Tienari. 2002. “Justification, Legitimization and Naturalization of Mergers and Acquisitions: A Critical Discourse Analysis of Media Texts.” *Organization* 9(2):275–304.

Vaara, Eero, Janne Tienari, and Juha Laurila. 2006. “Pulp and Paper Fiction: On the Discursive Legitimation of Global Industrial Restructuring.” *Organization studies* 27(6):789–813.

Vedder, Richard. 2004. *Going Broke by Degree: Why College Costs Too Much*. ERIC.

Weber, Max. 1921. “Class, Status, Party (1921).” *From Max Weber: Essays in Sociology, London: Routledge*.

Weick, Karl E. 1995. *Sensemaking in Organizations*. Sage.

Weick, Karl E., Kathleen M. Sutcliffe, and David Obstfeld. 2005. “Organizing and the Process of Sensemaking.” *Organization science* 16(4):409–21.

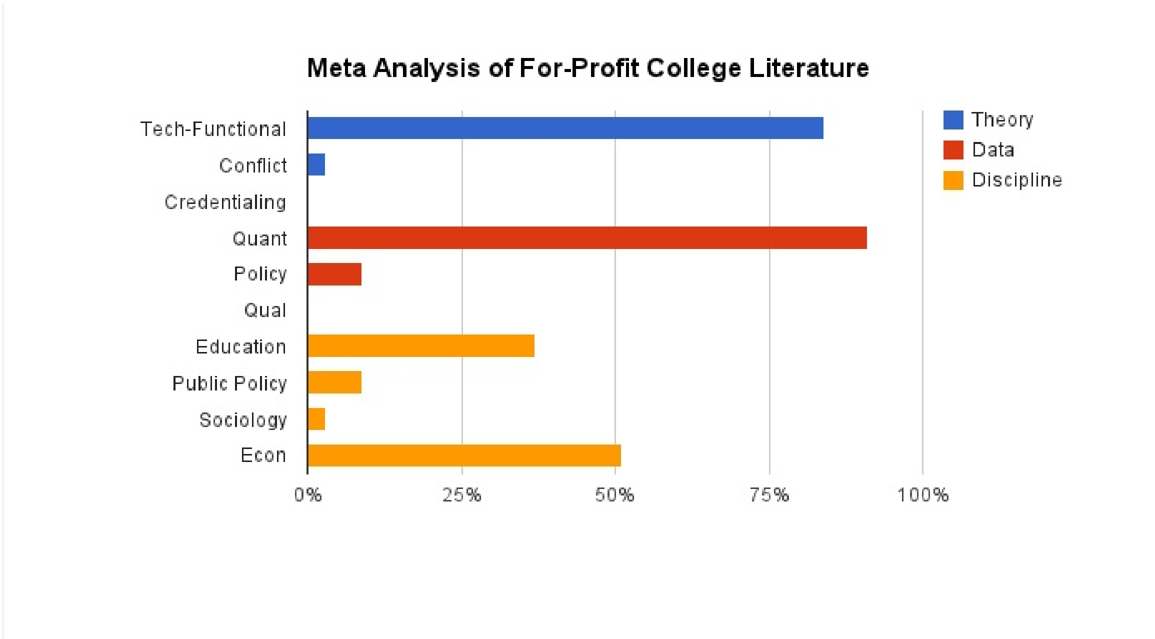
Windolf, Paul and Joachim Haas. 1993. “Higher Education and the Business Cycle 1870-1990.” *International Journal of Comparative Sociology* 34(3):167–91.

Wodak, Ruth and Michael Meyer. 2009. *Methods for Critical Discourse Analysis*. Sage.

Wyatt, Ian D. 2006. “Occupational Changes during the 20th Century.” *Monthly Lab. Rev.* 129:35.

Zhang, Yan and Barbara M. Wildemuth. 2009. “Qualitative Analysis of Content.” *Applications of social research methods to questions in information and library science* 308–19.

Appendix A. Meta Analysis of For-Profit College Literature, Theory, Methods, and Data



Citation	Theoretical Model	Method	Data Set	Additional
Bailey, Thomas, Norena Badway, and Patricia J. Gumport. "For-Profit Higher Education and Community Colleges." (2001).	Human Capital	Trend	Federal	Descriptive/Trend Data
Barr, Andrew, and Sarah E. Turner. "Expanding Enrollments and Contracting State Budgets The Effect of the Great Recession on Higher Education." The ANNALS of the American Academy of Political and Social Science 650, no. 1 (2013): 168-193.	N/A	Trend Data	CPS	Descriptive/Review Article
Baum, Sandy, and Kathleen	N/A	Summary Statistics	Federal Data Sets	Descriptive/Policy Brief

Payea. "Trends in for-profit postsecondary education: Enrollment, prices, student aid and outcomes." College Board (2011): 2.				
Beaver, William. "For-profit higher education: A social and historical analysis." Sociological Viewpoints 25 (2009): 53.	Conflict	N/A	N/A	Descriptive
Berg, Gary A. Lessons from the edge: For-profit and nontraditional higher education in America. Greenwood Publishing Group, 2005.	Human Capital	Trend Data/Summary Statistics	Varied	Descriptive/Policy
Breneman, David W., Brian Pusser, and Sarah E. Turner, eds.	Human Capital	N/A	N/A	Descriptive/Summary Statistics/Institutionalism

Earnings from learning: The rise of for-profit universities. SUNY Press, 2012.				
Cellini, Stephanie, and Claudia Goldin. "Does federal student aid raise college tuition." New evidence on for-profit colleges. National Bureau of Economics Research working Paper 17827 (2012).	Human Capital	Estimation Effects	Administrative Data	N/A
Cellini, Stephanie R. "For-profit higher education: An assessment of costs and benefits." National Tax Journal 65, no. 1 (2012): 153-180.	Human Capital	Cost-Benefit Analysis	Federal Data Sets	Descriptive/Policy/Individual Cost Estimates
Cellini,	Human Capital	Individual Fixed	Federal	Causal/Labor Market

Stephanie Riegg, and Latika Chaudhary. The labor market returns to a for-profit college education. No. w18343. National Bureau of Economic Research, 2012.		Effects	(NYLS97)	Returns
Chung, Anna S. "Choice of for-profit college." Economics of Education Review 31, no. 6 (2012): 1084-1101.	Human Capital	OLS/Fixed Effects	Federal (BPS:04/09)	N/A
Darolia, Rajeev, Cory Koedel, Paco Ma, Kat IE Wilson, and Francisco Perez-Arce. "Do Employers Prefer Workers Who Attend For-Profit Colleges? Evidence	Human Capital	Field Experiment	N/A	Job Market Biases; Comparing Community Colleges and For-Profits

from a Field Experiment." (2014).				
Deil-Amen, Regina, and James E. Rosenbaum. "The social prerequisites of success: Can college structure reduce the need for social know-how?." The Annals of the American Academy of Political and Social Science 586, no. 1 (2003): 120-143.	Rational Choice	Interview/Observational	N/A	N/A
Deming, David, Claudia Goldin, and Lawrence Katz. "For-Profit Colleges." The Future of Children 23, no. 1 (2013): 137-163.	Human Capital	Summary Statistics	Federal	Descriptive/Policy
Deming, David J., Claudia Goldin, and Lawrence F.	Human Capital	OLS	Federal (BPS:04/09)	Causal/Attainment, Job Tenure, and Labor Market Returns

Katz. The For-Profit Postsecondary School Sector: Nimble Critters or Agile Predators?. No. w17710. National Bureau of Economic Research, 2011.				
Floyd, Carol Everly. "Know your competitor: Impact of for-profit colleges on the higher education landscape." New Directions for Higher Education 2007, no. 140 (2007): 121-129.	Human Capital/Organizational	N/A	N/A	Descriptive/Policy
Gilpin, Gregory, Joe Saunders, and Christiana Stoddard. "Why Have For-Profit Colleges Expanded so Rapidly?	Human Capital	Individual Fixed Effects	Federal (NPSAS; IPEDS; CIP; BLS)	Labor Market Returns

The Role of Labor Market Changes in Student Enrollment and Degree Completion at Two-Year Colleges." The Role of Labor Market Changes in Student Enrollment and Degree Completion at Two-Year Colleges (June 14, 2013) (2013).				
Hentschke, Guilbert C., Vicente M. Lechuga, and William G. Tierney. For-Profit Colleges and Universities: Their Markets, Regulation, Performance, and Place in Higher Education. Stylus Publishing, LLC. PO Box 605,	Human Capital; Rational Choice	N/A	Summary Statistics	Policy Analysis

Herndon, VA 20172-0605, 2010				
Iloh, Constance, and W. G. Tierney. "Understanding for-profit and community college choice through rational choice." Teachers College Record.	Rational Choice	Survey	N/A	
Iloh, Constance, and William G. Tierney. "A comparison of for-profit and community colleges' admissions practices." (2013).	Rational Choice	Telephone Survey	N/A	Community Colleges versus For-Profits
Iloh, Constance, and William G. Tierney. "Using ethnography to understand twenty-first century college life." Human	Rational Choice	N/A	N/A	Theory/Review Article

Affairs 24, no. 1 (2014): 20-39.				
Kinser, Kevin. "From Main Street to Wall Street: The Transformation of For-Profit Education. ASHE Higher Education Report, Volume 31, Number 5." ASHE Higher Education Report 31, no. 5 (2006): 1-155.	Human Capital	Summary Statistics	Historical; Institutional	Neo-institutional history
Lang, Kevin, and Russell Weinstein. Evaluating student outcomes at for-profit colleges. No. w18201. National Bureau of Economic Research, 2012.	Human Capital	Log Regression/Propensity Scores	Federal (BPS)	Labor Market Returns By Credential Level
Lechuga, Vicente M.	Organizational	Observational	N/A	N/A

"Assessment, knowledge, and customer service: Contextualizing faculty work at for-profit colleges and universities." The Review of Higher Education 31, no. 3 (2008): 287-307.				
Lynch, Mamie, Jennifer Engle, and José L. Cruz. "Subprime Opportunity: The Unfulfilled Promise of For-Profit Colleges and Universities." Education Trust (2010).	Rational Choice	Descriptive	N/A	N/A
Marlier, Ann Marie. "An Examination of the Psychological Contracts of Contingent	Human Capital	Survey	N/A	Gatekeeper Attitudes re: For-Profit Credentials

Faculty Teaching at Urban, Proprietary Colleges." (2014).				
Morey, Ann. "The Growth of for-Profit Higher Education Implications for Teacher Education." Journal of Teacher Education 52, no. 4 (2001): 300-311.	N/A	N/A	N/A	Descriptive
Morey, Ann I. "Globalization and the emergence of for-profit higher education." Higher Education 48, no. 1 (2004): 131-150.	Institutionalism/Rational Choice	Summary Statistics	Institutional	Descriptive; Nation-State level of analysis
Person, Ann, James Rosenbaum, and Regina Deil-Amen. "Student planning and information problems in different	Rational Choice	Interview/Observational	N/A	N/A

college structures." The Teachers College Record 108, no. 3 (2006): 374-396.				
Rosenbaum, James E., Regina Deil-Amen, and Ann E. Person. After admission: From college access to college success. Russell Sage Foundation, 2007.	Rational Choice	Summary Statistics		Descriptive
Ruch, Richard S. Higher Ed, Inc.: The rise of the for-profit university. JHU Press, 2003.	Human Capital	Summary Statistics	N/A	Policy Analysis
Stephan, Jennifer L., James E. Rosenbaum, and Ann E. Person. "Stratification in college entry and	Rational Choice	Propensity Scores	Federal Data Sets (NELS)	Causal

completion." Social Science Research 38, no. 3 (2009): 572-593.				
Tierney, William G., and Guilbert C. Hentschke. New players, different game: Understanding the rise of for-profit colleges and universities. JHU Press, 2007.	Human Capital	Summary Statistics		Policy Analysis

APPENDIX B. Chapter 3: "Crisis of Legitimacy" Methodology Notes

DATA SOURCES

I started with a public database from non-profit research group The Republic Report of legal actions taken against for-profit colleges. The list is titled, "Law Enforcement Investigations and Actions Regarding For-Profit Colleges". Attorney Mark Halperin maintains the list. Halperin has also written a book on for-profit higher education. The first entry on the list, chronologically, is from 2010. But, because these actions develop over time, they include charges and actions dating back to 2008. I used this list as a guide to help me develop search terms for other legal actions. From this list I compiled search terms for typical legal actions and extra institutional actors who take such actions. I added those terms to the corporate name and brand name of each shareholder for-profit college, which is the focus of this study. The list:

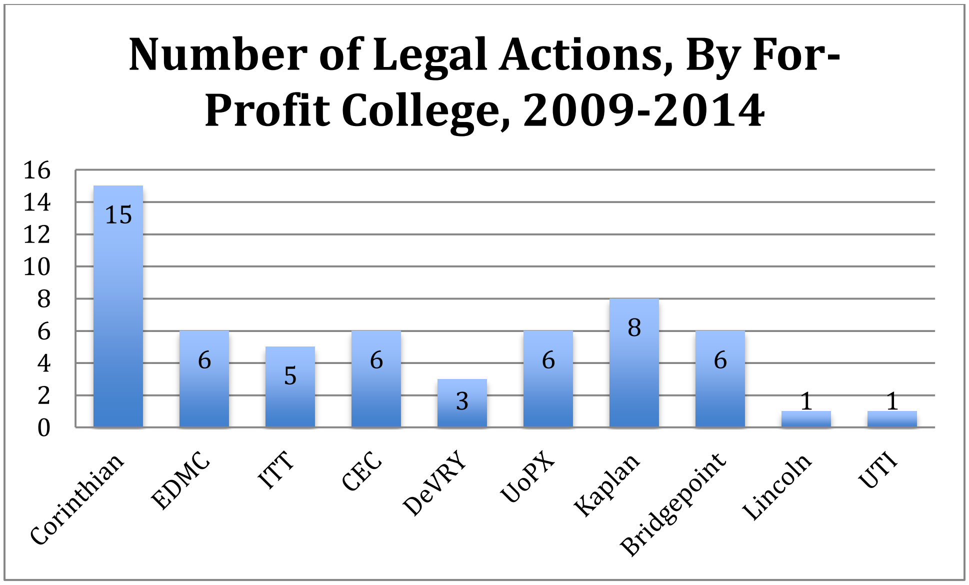
Table 16. Database Search Terms for Lexis Nexus Search of Legal Actions

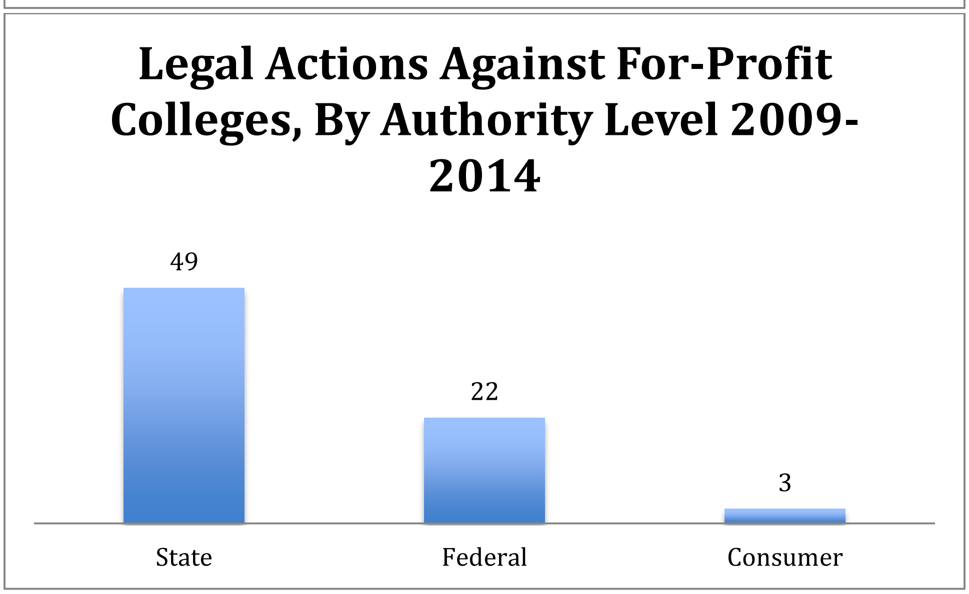
Consumer Protection	Telemarketing
Consumer Fraud	Civil Investigative Demand
False Claims Act	Subpoena Duces Tecum
Proprietary colleges	For-profit colleges
For-profit higher education	Privatized higher education
Privatization	For profit college

I used these search terms to conduct various Boolean searches in the LexisNexus database. LexisNexus is a repository for public press and legal case filings. I constrained my search to the Wall Street Era of for-profit colleges, operationalized as 1996 to present. I excluded all non shareholder for-profit organizations or cases that preceded an organization that eventually became a shareholder organization. The final database has 55 cases.

METHODS MEMO

I conducted quantitative analysis of characteristics relevant to credentialing theory, such as: institutional type, proportion of degree types conferred, and the legal authority that took the action.





Degree Level, Majority Conferred	**Institution**	**Total Legal Actions**
Certificates	Corinthian EDMC Lincoln	23

	UTI	
Bachelors	ITT CEC DeVry University of Phoenix (UoPX) Bridgepoint	26
Graduate	N/A	0

A theoretically driven coding scheme was used for the quantitative analysis but there was little in extant literature to guide a qualitative analysis of the legal documents. Instead, I was interested in what these data would say and what they would say similarly. So, while my overarching project is derived from theory, these data were analyzed using grounded theory approaches but I am not attempting new theory. Instead, I use inductive coding schemes to analyze data for which there was little empirical or theoretical explication to guide deductive analysis. Next, I conducted open coding of each legal case. I used Miles and Huberman (1997) and Strauss and Corbin's (1990) approach. Open coding is the part of the analysis concerned with identifying, naming, categorizing and describing phenomena found in the text. Essentially, each line, sentence, paragraph etc. is read in search of the answer to the repeated question "what is this about? What is being referenced here?" I coded 291 data chunks using this method. They were grouped by action strategies, intervening conditions, and context. This is consistent with the next step of inductive open coding, axial coding. Axial coding "is the process of relating codes (categories and properties) to each other, via a combination of inductive and deductive thinking." I was interested in a developing a "generic frame of relationships" among these chunks across each of the 55 documents.

A generic frame of relationship emerged based on institutional characteristics and discourses of legitimacy. Qualitative analysis of the legal actions gives us an idea of how these institutions are perceived to have failed at executing their right and proper duties. By examining the grounds on which for-profit colleges' legitimacy is contested, we can reverse-engineer how critical actors view the legitimacy account of for-profits' proper or necessary role. Far and away, legal and regulatory actors critiqued for-profit colleges on the grounds that they defrauded the public by misreporting job placement statistics and they misled prospective students using an aggressive recruitment process. Not-for-profit colleges that offer occupational certificate programs are governed by the same regulations as are for-profit colleges. But, only for-profit colleges are constructed as violating norms and commonly held beliefs in these legal actions. I attribute this to a relationship between legitimation accounts and institutional vulnerabilities to inquiry.

APPENDIX C. Chapter 4; Courting Legitimacy; Methodology Notes

To explore how and why credential expansion occurred in the market, I look at the sector's blueprints for expansion. Shareholder organizations "symbolize the defining characteristic of the current era" of for-profit higher education (Kinser 2006:39). Because the Securities and Exchange Commission regulates shareholder organizations they have become a "significant source of regulation for the for-profit sector" (Kinser 2006:118). The U.S. Securities and Exchange Commission (SEC) is an agency of the United States federal government. It holds primary responsibility for enforcing the federal securities laws, proposing securities rules, and regulating the securities industry, the nation's stock and options exchanges, and other activities and organizations, including the electronic securities markets in the United States. Shareholder for-profit colleges are the largest and most defining of the sector's rapid growth. To become shareholder organizations, for-profit colleges had to seek regulatory legitimacy from the SEC. Part of that process includes filing prospectuses. These prospectuses are institutional narratives. They include data on the institution's organizational structure, processes, financial solvency and a blueprint for expansion and differentiation. Whereas Chapter 3 is an inductive inquiry, this chapter is guided by three research questions generated from theory:

1. What legitimizing actors exerted influence on the financialization of for-profit credential expansion?
2. What qualitative labor market changes were cited as evidence of for-profit colleges' profitability?
3. How did for-profit colleges construct a market of status groups?

DATA SOURCES

Data are from the SEC prospectuses filed by every for-profit college between 1995 and 2009. 1995 coincides with the Wall Street Era's period of 1994 to present. The data are a complete census of all such filings listed by the SEC with the unique industry sector code "Educational-Services".

Filing Name	**Brand Name (If Different)**	**Year Filed**
American Public University	N/A	2007
Apollo Group	The University of Phoenix	1995
Argosy Education Group	American Schools of Professional Psychology; University of Sarasota; Medical Institute of Minnesota	1999
Bridgepoint Educational Services	Ashford University	2009
Capella	N/A	2006
Career Education Corporation	Al Collins Graphic Design School; Brooks College; Allentown Business School; The Katharine Gibbs Schools	1998
Corinthian Colleges	Concord College; Southern Career Institute	1995
KGSM	Everest College	1999
Education Management Corporation	DeVry Institutes	1995
Education Management, LLC	The Art Institutes; New York Restaurant School; National Center for Professional Development	1996
EduTrek	The Art Institutes; Argosy University; Brown Mackie College; South University	2006
Kaplan	N/A	2011
Grand Canyon Colleges	N/A	1999
ITT Technical Institutes	N/A	2008
Lincoln Educational Services	N/A	1998
Sonoma College, Inc.	Lincoln Technical Institute; Nashville Auto-Diesel College; Career Education Institute	2005
Strayer University	N/A	2006
Universal Technical Institute	N/A	1996

The list includes 18 prospectuses. To organize the data I treat each prospectus as a case although I will treat the patterns identified as part of the class of for-profit colleges as a while. I began the analysis by assigning a set of categorical variables to case.

Categorical descriptors include:

Institutional Name	Meta-data for the prospectus from the SEC

	database (i.e. unique web address)
Year Prospectus Filed	The state of the institution’s home office
The degree level of the most degrees conferred by the institution	The degree program (e.g. business, healthcare) most conferred by the institution

These descriptive variables like name, year and location are primarily for organizational purposes. The degree level and program type accounts for the sector’s “diversity” (Kinser). This analysis is interested in how these institutions cultivate legitimation actors and processes. A nuanced analysis should pay attention to how those actors and processes relate to institutional and group status. For example, traditional not-for-profit two year colleges attend to different kinds of legitimation processes than do elite private not-for-profit four year colleges. Differences include relationships with professional organizations, labor markets, occupational pathways, and financial donors. It is plausible that institutions with a larger share of credentials conferred in either the two-year-and-below or four-year-and-above market would signal different legitimation processes.

This project is fundamentally one about the political economy of for-profit college expansion during a specific chronological time period. Political economy research “relies heavily on qualitative methods” and case study design (Odell 2001). Specifically, this is a *disciplined interpretative case study*. Disciplined interpretative case studies interpret or explain an “intrinsically important” event by “applying a known theory to the new terrain” (Odell 2001:163). I make the case that 2.5 million students, historically underrepresented in U.S. higher education, enrolled in private sector, profit producing credentialing organizations constitutes an intrinsically important event. Further, the case is recent and its characteristics depart from historical characteristics of higher education expansion. I apply credentialing theory to this new terrain of higher education expansion. Credentialing theory proposes that there must be correspondence between three extra-institutional social domains for credential expansion to occur: qualitative labor market changes; qualitative and quantitative participation changes among status groups; and, organizational responses to these respective changes. Human capital theories have failed to account for the conditions of increased student demand for credentials that have compromised legitimacy, contested labor market outcomes, and little evidence of signaling related to social mobility. More Marxist, conflict theory explanations for the event cannot sufficiently account for the consolidation of capitalist interests and control of for-profit credentials on the one hand and contested legitimacy on the other. A meta-analysis of for-profit college research shows that credentialing theory's promise to explain these variable conditions has not been systematically explored.

I constructed the coding scheme from observed mechanisms in previous applications of credentialing theory. Most notably, I relied on Browns 1995 case study of higher education expansion in the early 20th century. Brown's analysis attributed the expansion of credentials to ascending bureaucracies in the labor market, occupational interests represented by professional associations, changes in labor market recruitment processes, and curricular and admissions changes in higher education organizations to correspond with these various changes and to balance their competing interests. At the heart of this balancing act is the higher education organization whose legitimacy, Brown argues, is relies upon its centrality as a mechanism for labor market entry. Even though a case study is theory-driven, it should allow for counterfactuals. Odell recommends implicit and explicit comparisons with existing institutions and thought experiments to account for as many possible causal mechanisms. I compared the mechanisms in credentialing theory to those evidenced in the not-for-profit college sector as well as those from previous eras of the for-profit college sector. I also did a systematic analysis of the development of the community college sector and historically black college sector to identify possible mechanisms. Finally, I designed a counterfactual by imagining the conditions that might produce a legitimate, high status for-profit college. The coding scheme from these various exercises has 23 codes:

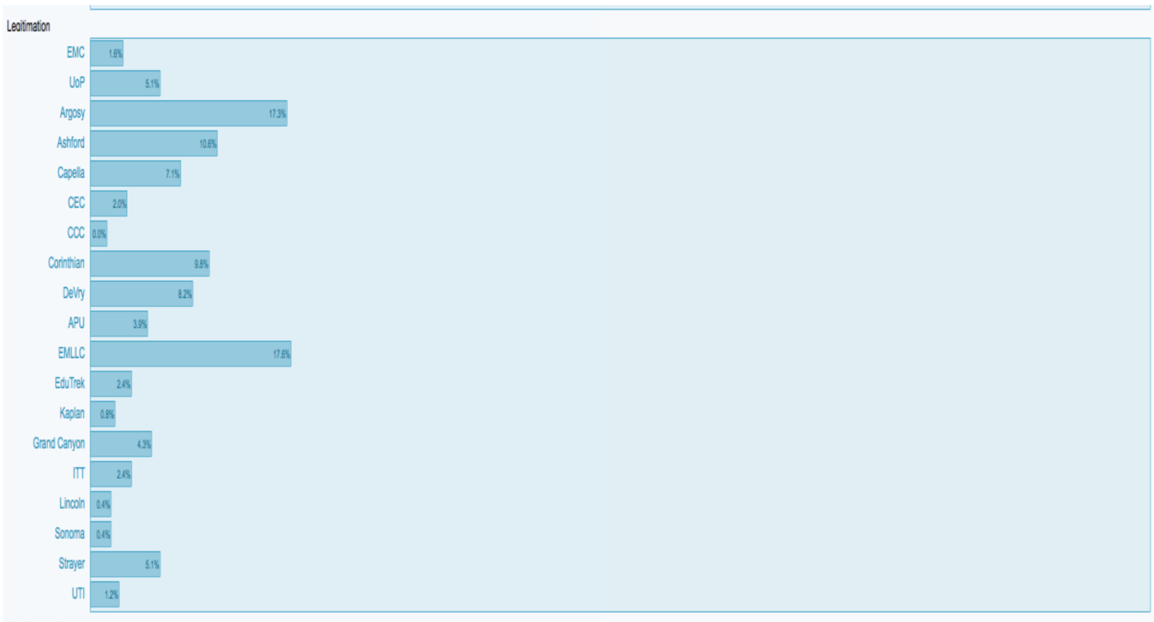
Summary of Coding Scheme

Accreditation	LMC: Public Sector
Financialization	LMC: Technology
Investment Ideology	Legitimacy Actors
Labor Market Correspondence with Occupational Sectors (LMC): Business	Legitimation Processes
LMC: Education	General Organizational Structure
LMC: General/Un-specified	Org Structure: Enrollment
LMC: Healthcare	Org Structure: Faculty
LMC: Military	Organizational Statistics
Org Structure: Tuition	Org Structure: Internal Labor Markets
Organizational Process (as opposed to structure)	Professional Occupational Associations
Proliferation projections/processes	Status Groups

Upmarket degrees	

Case studies and qualitative methods tend to have strong validity but can have weaker reliability. Clear operationalization of codes and detailed code book (Appendix C) help to account for reliability issues and increases the validity of the findings. For example, I delineate structural capacity for enrollment or faculty hiring from the organizational processes of recruitment and faculty management. Treating each prospectus as a case with a institutional narrative produced by multiple extra-institutional conditions for specific audiences lends itself to content analysis. Content analysis can be both quantitative (e.g. frequency counts) and qualitative (e.g. thematic sense-making of systematic patterns). Each has strengths and weaknesses that are mitigated considerably when used in conjunction. After structuring a clear coding scheme using analogous examples from theory and previous studies to make as many distinctions as possible, the content is coded using thematic "chunks" (Zhang and Wildemuth 2005). Themes can be expressed in a single word or in entire paragraphs. The act of chunking a master document into units of data for analysis is to assign a code to a chunk of any size, "as long as that chunk represents a single theme" (Zhang and Wildemuth 2005:3). I pay attention to grammar and semiotics to be as precise in identifying chunks as feasible. For example, transitional phrases are commonly used to link ideas conceptually. I coded with attention to transitional phrases to isolate chunks. Similar choices are detailed in my code book.

All of the data were assembled using a software analysis program called Dedoose. Prospectus averaged 28 pages in length. 1,420 excerpts or chunks were extracted from the documents and coded. Frequency counts are a first wave of analysis to identify patterns broadly for further, qualitative analysis. For example, the following distribution of legitimation codes signaled that Argosy and Education Management LLC are similarly matched:



At first look, the two institutions are quite different. Argosy's most dominant school brand specializes in doctoral degrees in psychology while Education Management, LLC's (EMLLC) most dominant brand is the Art Institute. There is also a noticeable temporal gap: Argosy filed in 1999 and Education Management LLC filed in 2006. The two could be responding to different conditions for the for-profit sector. But, further qualitative analysis of the codes allows me to compare them against an organizational map of each institution. That analysis shows that By isolating those codes and comparing them against the institutional characteristics and a organizational map of each institution, I can attribute this similarity to frequent consolidation and acquisition characteristic of the Wall Street era. EMLLC eventually purchased Argosy and the 2006 prospectus reflects all of these school brands under one corporate banner. A better comparison for the relationship between institutional characteristics and legitimation is that of Education Management Corporation (EMC), which is EMLLC's corporate predecessor before it's acquisition of Argosy. EMC shows a low rate of legitimation (1.6%) as compared with its rate after acquiring Argosy (17.6%). Argosy's "upmarket" credentialing focus in the clinical psychology occupational field engages more legitimation practices. And that carries over to the legitimation performed by EMLLC when it acquires a school brand with that focus. These sort of comparative cases within the larger case study helps isolate the patterns of legitimacy even as the macro conditions of for-profit college expansion are quite similar.

After conducting this analysis for each analytical domain of interest, I turned to the relationship between these themes. To observe this, I isolated frequencies of co-occurance (Popping 2012). Co-occurrence examines the frequency with which some codes appear in conjunction in each institutional narrative and across all the institutional narratives. With further analysis of these incidents of co-occurrence, I can determine how some processes, like accreditation, are positioned relative to other important mechanisms like status groups and labor market correspondence. Frequency counts of co-occurrence of codes allow additional analysis of these patterns. When codes appear simultaneously with high frequency, it signaled greater qualitative analysis of relational patterns. For example, the following cross-tabs of co-occurrence of codes shows that institutions legitimized their strategic plans for growth (a shareholder organization imperative) in conjunction with specific references to status groups (high rates of co-occurrence denoted by shading, from light blue to red):

Figure 16. Code Co-Occurrence Frequencies

Codes	Accreditation	Financialization: Market Logic	Ideology	LM Business	LM Education	LM General/Non Specific	LM Healthcare	LM Military	LM Public Sector	LM Technology	Legit: Extra Institutional Actors	Legitimation	Org Structure: General	Org: Enrollment	Org: Faculty	Org: Stats	Org: Tuition	Org: internal labor markets	Organizational Processes	Professional Orgs	Proliferation	Status Groups	Upmarket	Writing: Excerpts	Totals
Accreditation		9	6	2	2	4	1	4	5	1	21	41	3	4	3	3		1	3	4	6	5	6	12	146
Financialization: Market Logic	9		53	3	2	24	1	2	3	4	41	57	11	14	9	22	14	20	38	2	56	31	13	48	477
Ideology	6	53		2	1	21	2	2	3		13	44	3	9	1	5			8	1	35	27	3	23	262
LM Business	2	3	2		16	8	19		9	18	4	8	2	2		1			5		5	5	19	11	139
LM Education	2	2	1	16		4	13		4	8	4	7	3						2	1	8	5	14	10	104
LM General/Non Specific	4	24	21	8	4		5	2	5	10	14	30	10	5	2	13	1		8	2	24	19	22	34	267
LM Healthcare	1	1	2	19	13	5			2	14	2	12	2			6			2	2	8	7	20	15	133
LM Military	4	2	2			2			7		1	3		3		3	4		3		8	12	4	6	64
LM Public Sector	5	3	3	9	4	5	2	7		2	4	4	1	3					7	2	7	7	7	10	92
LM Technology	1	4		18	8	10	14		2		9	13	5			3			2		9	5	12	8	123
Legit: Extra Institutional Actors	21	41	13	4	4	14	2	1	4	9		66	10	8	5	10	3	6	29	6	33	21	5	37	352
Legitimation	41	57	44	8	7	30	12	3	4	13	66		19	23	22	29		11	22	7	31	34	13	47	543
Org Structure: General	3	11	3	2	3	10	2		1	5	10	19		6	13	15	1	6	21		9	16	3	18	177
Org: Enrollment	4	14	9	2		5		3	3		8	23	6		3	27	2	3	49		26	54	19	34	294
Org: Faculty	3	9	1			2					5	22	13	3		17		16	20		4	9	2	15	141
Org: Stats	3	22	5	1		13	6	3		3	10	29	15	27	17		11	16	13	1	23	38	15	29	300
Org: Tuition		14				1		4			3		1	2		11			2		2	9		2	51
Org: internal labor markets	1	20									6	11	6	3	16	16			16			1		13	109
Organizational Processes	3	38	8	5	2	8	2	3	7	2	29	22	21	49	20	13	2	16		4	29	44	20	48	395
Professional Orgs	4	2	1		1	2	2		2		6	7				1			4		5	3	2	4	46
Proliferation	6	56	35	5	8	24	8	8	7	9	33	31	9	26	4	23	2		29	5		81	23	52	484
Status Groups	5	31	27	5	5	19	7	12	7	5	21	34	16	54	9	38	9	1	44	3	81		26	66	525
Upmarket	6	13	3	19	14	22	20	4	7	12	5	13	3	19	2	15			20	2	23	26		36	284
Writing: Excerpts	12	48	23	11	10	34	15	6	10	8	37	47	18	34	15	29	2	13	48	4	52	66	36		578
Totals	146	477	262	139	104	267	133	64	92	123	352	543	177	294	141	300	51	109	395	46	484	525	284	578	

For qualitative analysis of the excerpts within each code and between high frequency co-occurrence, I repeated my open coding process from chapter three. This process revealed three relationships of note: 1) Differentiation among accreditation agencies is related to legitimation accounts of shareholder for-profit organizations 2) financialization replaced extra institutional actors such as professional organization in legitimizing the form of credential expansion and 3) Status groups and legitimation were tied to the conditions of internal labor markets across occupational sectors.