

The University of Phoenix and the Super Bowl Fact Sheet.

Super Bowl XLIX and the University of Phoenix have a lot in common:

- Each year, the number of dropouts from the University of Phoenix could fill more than five Super Bowl XLIX stadiums. These students are left with crippling student loan debt and no credentials to show for it;ⁱ
- Students who have defaulted on their loans after leaving the University of Phoenix between 2009 and 2011 could fill more than two Super Bowl XLIX stadiums;ⁱⁱ
- With the money spent on naming rights to the Cardinals' stadium and annual marketing and recruiting costs, the University of Phoenix could purchase all Super Bowl XLIX TV ad time and would still have \$500 million to spare;ⁱⁱⁱ
- Each Super Bowl XLIX quarter, student debt for University of Phoenix graduates will increase by \$540,000. \$2.5 million in student debt will have amassed by the end of the game.^{iv}

The University of Phoenix is spending \$154 million for naming rights to the Cardinals' stadium in Glendale, Arizona.^v Here's what the University of Phoenix could buy if it were spending the money on its students:

- Provide \$3,400 in debt relief to every borrower who defaulted within three years of leaving the University of Phoenix in 2011;^{vi}
- Provide free education for all full-time undergraduates at their main campus in Tempe, Arizona, for three years;^{vii}
- Provide \$2,500 scholarships to 61,600 veterans, which would lower the University of Phoenix's G.I. Bill charges to the national average.^{viii}

The University of Phoenix spends 28% of its expenses, or an average of \$970 million a year, on advertising and recruiting.^{ix} Here's what the University of Phoenix could buy if it were to spend the money on its students:

- Provide on an annual basis, \$21,209 in debt relief to every borrower who defaults on their loan three years after leaving from the University of Phoenix;^x
- Increase spending on instruction from \$892 per student to \$2,428, which would raise the University's spending on instruction per student above the industry average;^{xi}
- Provide free online education to 68,232 students every year,^{xii} which is enough to fill the Super Bowl XLIX football stadium;
- 54% reduction to online education prices for all full-time undergraduate students;^{xiii}
- Hire 25,590 full-time student service coordinators, reducing the ratio of student service workers from 1 service worker per 126 students to 1 for every 19 students.^{xiv}

If the University of Phoenix were a nonprofit, it could build the 7th largest endowment in the USA by investing expenditures from the past five years:

- Over the past five years, more than \$5 billion dollars were spent on advertising and recruiting. When profit is added to the equation, that amounts to a total of

\$8.5 billion. If these funds were invested into a university fund, the endowment size would sit just behind MIT and Stanford University in size.^{xv}

ⁱ 60.5% dropout rate, from Harkin Report, “For Profit Higher Education: The Failure to Safeguard the Federal investment and Ensure Student Success.” Part II, p. 285. Accessed 1/27/2015. (<http://harkin.senate.gov/help/gao.cfm>); Average enrollment for FY2009-2011 was 614,033, from “National Student Loan Data System.” Accessed 1/27/2015.

(https://www.nslds.ed.gov/nslds_SA/defaultmanagement/search_cohort_3yr2011CY.cfm); Max capacity of stadium is 72,200, from <http://universityofphoenixstadium.com/index.php/stadium>.

ⁱⁱ 154,000 students in default, from FY2009–2011 Cohort 3-year Default Rate combined. Accessed 1/27/2015.

(https://www.nslds.ed.gov/nslds_SA/defaultmanagement/search_cohort_3yr2011CY.cfm)

ⁱⁱⁱ Total amount spent on naming rights and annual marketing and recruiting costs is \$1.126 billion; *see infra* n.x & n.v, \$972,456 million plus \$154 million. Analysis based on \$4.5 million cost for a 30 second ad. (<http://www.superbowl-commercials.org/34310.html>); 3 hours 35 minutes is the average total duration of a Super Bowl game.

(<http://www.bloomberg.com/news/2012-02-03/super-bowl-timetable-kickoff-is-at-6-29-pm-final-play-is-anyone-s-guess.html>); 32% of football game programming is spent on commercials.

(<http://www.wsj.com/articles/SB10001424052748704281204575002852055561406>)

^{iv} (\$8,981 is the average amount of Federal student loan aid received by undergraduate students during 2012-13 for students at all 78 University of Phoenix campuses) <http://nces.ed.gov/ipeds/datacenter/> (4,787,729 total student borrowers from the University of Phoenix)

<http://www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html>

(40.7 million total student borrowers) “Federal Student Aid Portfolio Summary.” Retrieved on Jan. 23, 2015. <https://studentaid.ed.gov/about/data-center/student/portfolio>

(1.13 trillion in total student loan debt) Retrieved on Jan. 23, 2015.

<http://www.finaid.org/loans/studentloandebtclock.phtml>

^v http://www.nytimes.com/2009/01/17/sports/football/17rhoden.html?_r=0

^{vi} 45,123 students defaulted, FY2011 3-year Cohort Default Rate, “National Student Loan Data System.” Accessed 1/27/2015.

(https://www.nslds.ed.gov/nslds_SA/defaultmanagement/search_cohort_3yr2011CY.cfm)

^{vii} \$50,999,703 from Net Price: academic year 2012-13, “Integrated Postsecondary Education Data System: Final release data.” Profile of “University of Phoenix-Phoenix Campus.” Accessed 1/27/2015. (<http://nces.ed.gov/ipeds/datacenter/InstitutionByName.aspx>)

^{viii} From 2009-2011, Apollo received on average \$7,158 per veteran, compared to \$4,642 per veteran at public colleges, from Harkin Report, “For Profit Higher Education: The Failure to Safeguard the Federal investment and Ensure Student Success.” Part II, p. 282.

(http://www.help.senate.gov/imo/media/for_profit_report/PartII/Apollo.pdf)

^{ix} Based on averages for FY2010 to FY2014, from Apollo Education Group, Inc., “FY2014 Form 10-K.” (<https://www.sec.gov/Archives/edgar/data/929887/000092988714000160/apol-aug31201410k.htm>); Apollo Education Group, Inc., “FY2011 Form 10-K.”

(<https://www.sec.gov/Archives/edgar/data/929887/000144530511003026/apol-aug312011x10xk.htm>).

^x 51,357 from averaged 3-year cohort default rates, FY2009-FY2011, “National Student Loan Data System.” Accessed 1/27/2015.

(https://www.nslds.ed.gov/nslds_SA/defaultmanagement/search_cohort_3yr2011CY.cfm)

^{xi} 63,3240 students from total enrollment figure, 2009-10, “National Student Loan Data System.” Accessed 1/27/2015.

(https://www.nslds.ed.gov/nslds_SA/defaultmanagement/search_cohort_3yr2011CY.cfm); Price Spent on Instruction (\$892) and Average Price Spent on Instruction (\$2,050), Harkin Report, “For Profit Higher Education: The Failure to Safeguard the Federal investment and Ensure Student

Success.” Part II, p. 289. Accessed 1/27/2015.

(http://www.help.senate.gov/imo/media/for_profit_report/PartII/Apollo.pdf)

^{xii} \$14,252 from Net Price: academic year 2012-13 & 126,411 FTE Online Undergraduate Enrollment, 2012-13, “Integrated Postsecondary Education Data System: Final release data.” Profile of “University of Phoenix-Online Campus.” Accessed 1/27/2015.

(<http://nces.ed.gov/ipeds/datacenter/InstitutionByName.aspx>)

^{xiii} Ibid

^{xiv} Based on Average industry pay of \$38,000 for student service coordinator, “PayScale Human Capital.” Accessed 1/27/2015.

(http://www.payscale.com/research/US/Job=Student_Services_Coordinator/Salary); 3,737 from Student Service Workers Employed, Harkin Report, “For Profit Higher Education: The Failure to Safeguard the Federal investment and Ensure Student Success.” Part II, p. 291.

(http://www.help.senate.gov/imo/media/for_profit_report/PartII/Apollo.pdf)

^{xv} Based on FY2010-2014, \$8,522,927 from Apollo Education Group, Inc., “Q1-2015 Form 10-Q.” (<https://www.sec.gov/Archives/edgar/data/929887/000092988715000011/apol-nov30201410q.htm>); Apollo Education Group, Inc., “FY2014 Form 10-K.”

(<https://www.sec.gov/Archives/edgar/data/929887/000092988714000160/apol-aug31201410k.htm>); Apollo Education Group, Inc., “FY2011 Form 10-K.”

(<https://www.sec.gov/Archives/edgar/data/929887/000144530511003026/apol-aug312011x10xk.htm>); Endowment rankings from “Integrated Postsecondary Education Data System: Final release data.” Category, “Value of endowment assets at the end of the fiscal year (F1213_F2)” and “Value of endowment assets at the end of the fiscal year (F1213_F1A).”