
THE KANSAS CITY KANSAN

Business and Education

At the Flint Hills Center for Public Policy, we think that we could all benefit from making K-12 schools act more like businesses in one important way—having to compete for students. Many people in the public school industry disagree, saying that business and learning are in conflict. Yet take a closer look and you'll find that business and learning can go hand-in-hand.

Most universities are not-for-profit organizations. The largest ones, such as KU, are run by a unit of government. Others, such as Friends University, are run by private, non-profit organizations.

Even so, people are warming up to universities-as-businesses. Three leading companies in higher education are the Apollo Group, DeVry Inc., and the Capella Education Company. They all offer undergraduate and graduate degrees. They're also businesses, and you can buy stock in each of them.

DeVry, which traces its roots back to the 1930s, includes DeVry University and the Keller Graduate School of Management. All told, 57,000 students are enrolled in one of its programs. These include information technology, health care, and criminal justice.

Apollo was started 30 years ago by John Sperling, an economist with a doctorate and a vision for helping working adults earn a college degree. Today it enrolls well over 300,000 adults who seek a degree or other training through its Western International University (WIU), the University of Phoenix, and other divisions.

Capella is an even younger company. Launched in 1993, it has about 20,000 students in academic programs that include education, public health, and business. Unlike DeVry or Phoenix, its programs are entirely online.

What do these companies have in common? Each one depends on customers who are willing to pay tuition to a for-profit organization because they trust its educational value. They demonstrate, in short, that the profit motive is compatible with learning.

You could even say that for-profit universities benefit students at conventional universities. In recent years, government-run and non-profit colleges and universities have added online learning. (Fort Hays State University is a national leader.) Even small colleges are now offering professional development programs for business professionals. These and other adaptations have been spurred in part by competition from profit-seeking universities.

The combination of profit and knowledge isn't limited to colleges and universities. Tutoring has been around for thousands of years, and in 2005, an estimated \$4 billion in private funds was spent on tutoring services. Many of those services were offered by commercial enterprises. Under the federal law known as No Child Left Behind, \$2 billion in public funds also is spent each year on tutoring.

Kumon Math & Reading Centers began 50 years ago in Japan by a father seeking to help his child learn. Today it operates in 43 countries. Kumon has 1,400 centers in North America, helping 135,000 students with math and reading. You can't buy stock in the company, but you might be able to buy a franchise. Earn a living for yourself, and help students learn.

Educate Services, Inc. operates Sylvan Learning Centers, which has 1,100 locations in

North America. Sylvan, founded in 1979, offers tutoring in homes, online, and at its own facilities. Students can get help in math, reading, writing and study skills. They can also prepare for the ACT and earn high school credit.

Huntington Learning Centers, also started in 1979, has 400 locations across the country. As with Sylvan and Kumon, it charges fees to willing families and sells franchises to would-be business owners.

Kumon, Sylvan and Huntington are just a few of the companies that offer tutoring. Together, they have multiple locations in the Kansas City metro area. They also operate in Hutchinson, Lawrence, Manhattan, Topeka and Wichita. The Education Industry Association, a trade group that includes tutoring companies, claims over 800 members.

Is a DeVry University education for everyone? No more than a KU one is. Likewise, Sylvan Learning Centers are an appropriate tutoring option for some children, but other children will benefit from a program conducted by a different company, a non-profit community organization, or a school district.

At a fundamental level, people have the same needs, including food and shelter. In today's world, you can add education to that list. Different people meet their needs for food and shelter in different ways. That's also true in education, which means that business and learning can indeed be compatible – perhaps even mutually beneficial.

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