PSC
Postsecondary Commission

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An Analysis of the Age of Colleges and New College Accreditation in US Higher Education

About

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Postsecondary Commission. The Postsecondary Commission is an aspiring accreditor focused on higher education institutions that provide high economic mobility and returns to their students. See postsecondarycommission.org.

Table of Contents

1. Executive Summary

In this report, we analyze the age of US colleges and the frequency with which new colleges are formed. Specifically, we assess four questions:

> **Research Question 1:**
> How is college enrollment distributed across colleges of different ages and of different types?
>
> **Research Question 2:**
> How old are today's colleges? How many colleges were started 0-20 years ago, 20-40 years ago, and more than 40 years ago?
>
> **Research Question 3:**
> Among colleges started less than 20 years ago, what types of colleges are most common?
>
> **Research Question 4:**
> Which accreditors approved the most colleges over the last 20 years?

In our analysis, we often group colleges by their predominant degree (i.e., 1YR colleges that grant certificates, 2YR colleges that grant associate degrees, and 4YR colleges that grant bachelor degrees) and by their control status (i.e., public colleges, private non-profit colleges, and private for-profit colleges).

We find:

- 98% of college students attend a college that is more than 20 years old.
- Most colleges are more than 40 years old. For example, 84% of 4YR colleges and 76% of 2YR colleges are more than 40 years old.
- Colleges started in the past 20 years are mostly specialized 1YR institutions that grant jobs-oriented certificates and that serve few students.
- Most of the colleges (92%) that arose in the last 20 years were accredited by national accreditors. Only 8% of colleges that formed in the last two decades were accredited by one of seven regional accreditors.

Our analysis shows clearly and repeatedly that new college formation in US higher education is rare and, when it does occur, reaches few students. It also highlights that regional accreditors, which oversee colleges serving 95% of US c ollege students, are averse to approving new colleges. [1]

This report is strictly empirical. We offer no policy recommendations, nor do we speculate about the underlying explanations for why new college formation is so rare and reaches so few students in the US.

We do, however, think that our findings raise important questions for policy makers and practitioners about whether new college formation needs to be revived to bring innovation and competition to the sector.

[1] This report is the second of two PSC reports that analyze the behavior of US college accreditors. The first report, "Oversight of Academic Quality and Student Outcomes by Accreditors of US Higher Education," found that accreditors rarely discipline colleges for poor student outcomes or low-grade academic programming.

2. Data Sources

This report relies on two primary data sources: the College Scorecard and the Database of Accredited Postsecondary Institutions and Programs (DAPIP). Both databases are housed at the US Department of Education. The College Scorecard is the federal government's primary college-level database. DAPIP contains data on formal activities by all US accreditors, and its data is self-reported by accreditors.

We use the 2021 College Scorecard as the source for our list of current colleges. Current colleges are those that enrolled students in the Fall of 2019. We also use the College Scorecard for a variety of college-level data, including a college's current accreditor, its predominant degree (certificate for 1YR colleges, associate degree for 2YR colleges, and bachelor degree for 4YR colleges) and its control status (public college, private non-profit college, and private for-profit college).

We use both the DAPIP and College Scorecard databases to determine the date of a college's original accreditation. We consider the date when a college was first accredited for access to Title IV funding to be its date of original accreditation and to be the date it was formed. [2]

3. Methodology and Sample Selection

The primary focus of this paper is an analysis of the age of currently operating colleges, especially those accredited in the past 20 years. To identify our sample of existing colleges and to uncover their original dates of accreditation, we take the following three steps.

First, we start with institutions listed in the College Scorecard as of 2021. From this list, we exclude freestanding graduate schools and certain non-educational institutions. We only count institutions at the 'parent' level of accreditation so that if an institution has branch campuses under the same accreditation, we count them as one institution.

Second, for each institution in our sample, we isolate the date of its initial Title IV enabling accreditation. In our analysis, we consider the date that a college was accredited for access to Title IV funding to be the date that it was "started" or "created." Title IV enabling accreditation is almost always granted by an institutional accreditor, but it can be granted in some circumstances by a programmatic accreditor.

[2] We make available on the PSC website a downloadable excel file that includes our full data and a complete explanation of our sources and research method. The file allows independent researchers to examine in detail our work and to replicate our results.

We match institutions in the College Scorecard to their sibling accreditation records in DAPIP, and we use data from both sources to identify dates of original accreditation. For a small number of institutions that have multiple dates of accreditation (often because they merged with other entities or switched accreditors), we only use their first date of Title IV accreditation in our analysis.

We match 4,968 institutions listed in the College Scorecard with their original Title IV enabling accreditation date. The accreditation dates for these institutions range from 1836 to 2020.

Third, we group the 4,968 current colleges for which we can identify original dates of accreditation into three cohorts by accreditation year: the past 20 years (2002-2020), 20-40 years ago (1982-2002), and more than 40 years ago (before 1982). We use these groupings throughout our analysis. As mentioned, we also group and analyze colleges by their predominant degree and by their control status.

4. Potential Errors or Limitations

We can identify the following sources of error in our analysis, all of which we consider minimal.

- DAPIP data is housed at the US Department of Education, but its data is self-reported by accreditors. Its reliability is subject to the accuracy and completeness of each accreditor's reporting. Some accreditors might not submit all their accreditations. Each accreditor decides how to categorize an accreditation, so similar accreditations could be categorized differently by accreditors.
- We rely on, but cannot verify, guidance from the US Department of Education which maps colleges in the College Scorecard to sibling records in DAPIP. For a small number of institutions listed in the College Scorecard (less than 1%), we cannot identify mirror records in DAPIP.
- We only examine the accreditation origin and characteristics of existing colleges. We do not analyze colleges that have closed, and it is possible that such an analysis would reveal different patterns in the rate and nature of new college formation.

5. Background On Accreditors

Accreditors arose in the early 20th century as voluntary membership and trade associations of postsecondary institutions. In the early 1950s, the Servicemen's Readjustment Act (the "GI Bill") vested legal authority in accreditors to evaluate and approve postsecondary institutions for federal financial aid. Accreditors' legal role as regulators of college quality and as gatekeepers of public aid for higher education expanded rapidly and significantly with the passage of the Higher Education Act (HEA) in 1965 and with the large increase in higher education funding that accompanied the HEA.

Since the passage of the HEA in 1965, American colleges can accept federal financial aid (or qualify for most forms of state-level funding for higher education) only if they are in good standing with an accreditor recognized by the US Department of Education. There are 60 recognized accreditors, 45 of which primarily grant institutional accreditation and 15 of which primarily grant programmatic accreditation in particular fields of study (law, dentistry, architecture, etc.).

Because accreditors have the authority to grant and revoke a college's access to public aid, they control the viability of college startups, almost all of which need to access financial aid in order to be competitive.

There are two broad types of accreditors - regional and national. There are seven regional accreditors. They dominate the accreditation sector and accredit almost all public institutions and most 2YR and 4YR colleges. They have historically operated in specific geographic regions, and they accredit colleges that enroll 95% of all college students. The remaining 53 accreditors recognized by the US Department of Education – the "national" accreditors -- generally oversee portfolios of small, specialized colleges, often 1YR institutions.

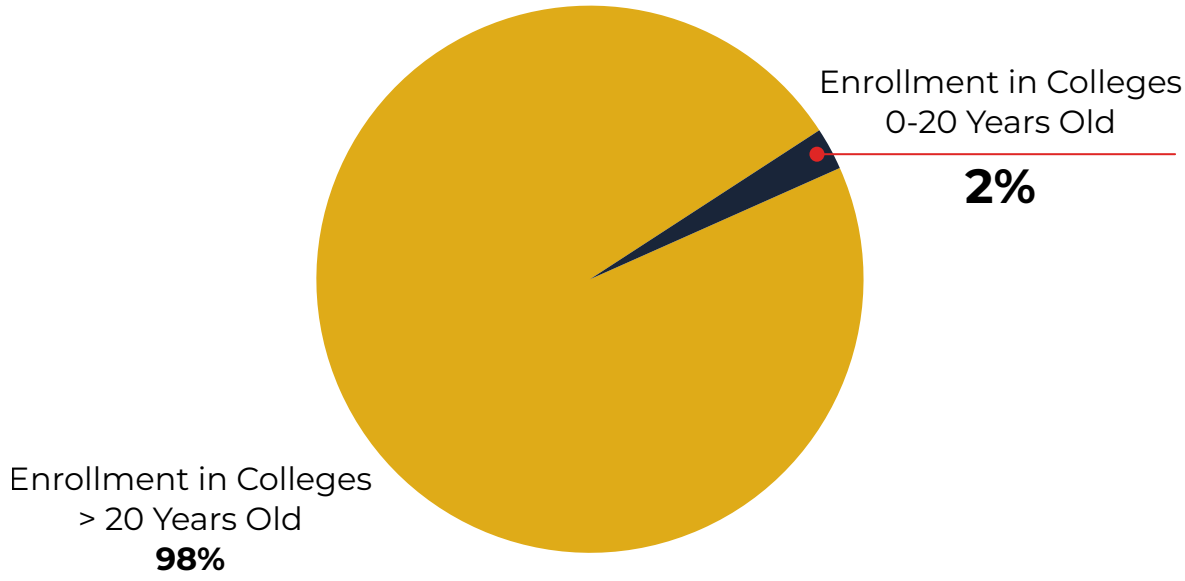
Accreditors will consider approving a new college only after it is first licensed by the higher education agency in the state where it has its primary operations. Every accreditor has specific requirements and processes with which startup colleges must comply to win accreditation. Among the seven regional accreditors which oversee most 2YR and 4YR colleges, the process for winning initial accreditation usually takes 6-7 years, and it can take up to 10 years.

Initial and ongoing accreditation covers all aspects of the design and operation of postsecondary institutions (financial viability, faculty composition, academic programming, governance, etc.). Accreditation is usually structured as a self-study process in which colleges evaluate their own progress and with a peer-review component in which colleges are vetted by staff from other colleges. After receiving their initial accreditation, colleges are typically required by their accreditor to seek re-accreditation every 5-10 years.

6. Finding #1 - Almost all college students attend a college that is more than 20 years old.

Our primary finding is that almost all (98%) undergraduate students in the US attend a college that is more than 20 years old.

Exhibit 1 **College Enrollment by Age of College**



Students in 2YR and 4YR colleges and in public colleges are particularly likely to attend old colleges. For example, 92% of 2YR students and 95% of 4YR students attend colleges that are more than 40 years old, and 96% of students in public colleges of any kind are in schools more than 40 years old.

The table and charts below detail the distribution of US undergraduate enrollment across colleges of different ages and types.

Exhibit 2A College Enrollment by Age of College and Type of College

		Public	Private NP	Private FP	Total
1YR Colleges	# of students	1,274,249	35,972	424,448	1,734,669
	% in colleges < 20 years old	3%	14%	27%	9%
	% in colleges 20-40 years old	11%	35%	46%	20%
	% in colleges > 40 years old	87%	52%	27%	71%
2YR Colleges	# of students	4,036,400	106,197	126,138	4,268,735
	% in colleges < 20 years old	2%	5%	19%	2%
	% in colleges 20-40 years old	4%	39%	28%	5%
	% in colleges > 40 years old	95%	56%	53%	92%
4YR Colleges	# of students	5,986,760	2,613,614	448,661	9,049,035
	% in colleges < 20 years old	1%	1%	9%	1%
	% in colleges 20-40 years old	1%	7%	33%	4%
	% in colleges > 40 years old	99%	92%	59%	95%
Total	# of students	11,297,409	2,755,783	999,247	15,052,439
	% in colleges < 20 years old	1%	2%	18%	2%
	% in colleges 20-40 years old	3%	8%	38%	6%
	% in colleges > 40 years old	96%	90%	44%	91%

Exhibit 2B College Enrollment by Age of College and Control of College

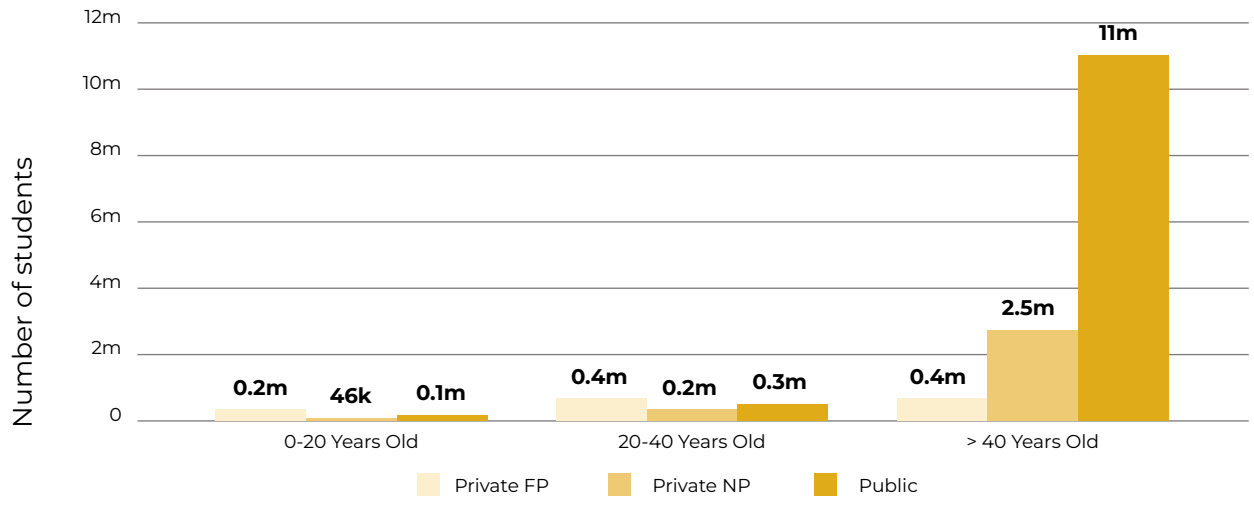
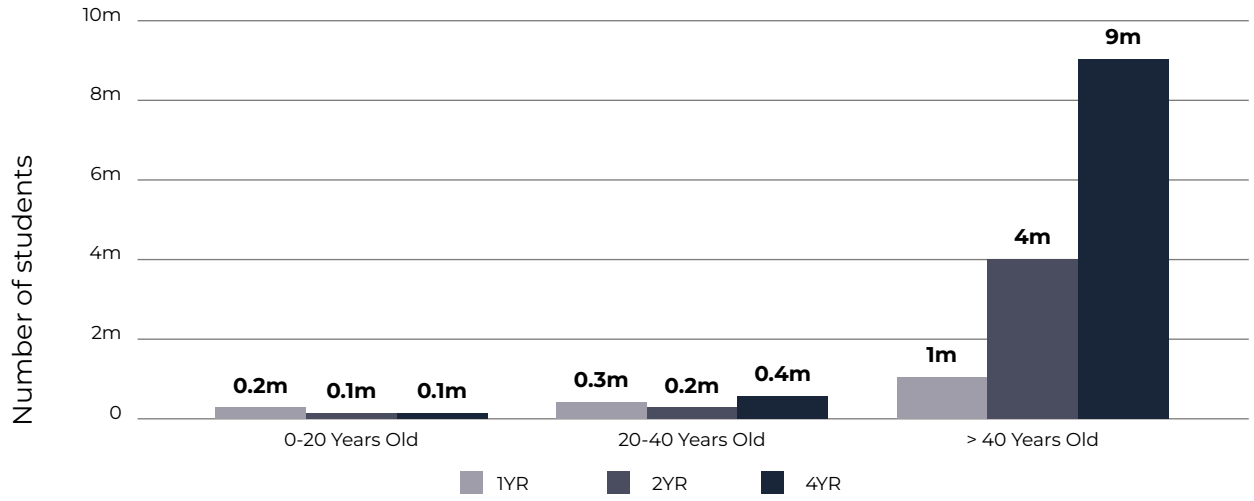


Exhibit 2C College Enrollment by Age of College and Predominant Degree of College



As both the data above and the chart below show, most US colleges are more than 40 years old. For example, 84% of 4YR colleges and 76% of 2YR colleges are more than 40 years old. Among US colleges, 1YR colleges are the youngest (37% of them were formed in the last 20 years), but these institutions serve a mere 1% of US undergraduates (156K students).

Exhibit 3A College Count by Age of College and Type of College

		Public	Private NP	Private FP	Total
1YR Colleges	# of colleges	581	138	1,465	2,184
	% in colleges < 20 years old	10%	35%	48%	37%
	% in colleges 20-40 years old	27%	33%	32%	30%
	% in colleges > 40 years old	63%	33%	20%	32%
2YR Colleges	# of colleges	694	131	128	953
	% in colleges < 20 years old	3%	25%	29%	9%
	% in colleges 20-40 years old	8%	32%	34%	15%
	% in colleges > 40 years old	89%	43%	38%	76%
4YR Colleges	# of colleges	546	1,207	78	1,831
	% in colleges < 20 years old	2%	8%	33%	7%
	% in colleges 20-40 years old	1%	11%	37%	9%
	% in colleges > 40 years old	97%	81%	29%	84%
Total	# of colleges	1,821	1,476	1,671	4,968
	% in colleges < 20 years old	5%	12%	46%	21%
	% in colleges 20-40 years old	12%	14%	32%	20%
	% in colleges > 40 years old	83%	73%	22%	60%

Exhibit 3B College Count by Age of College and Control of College

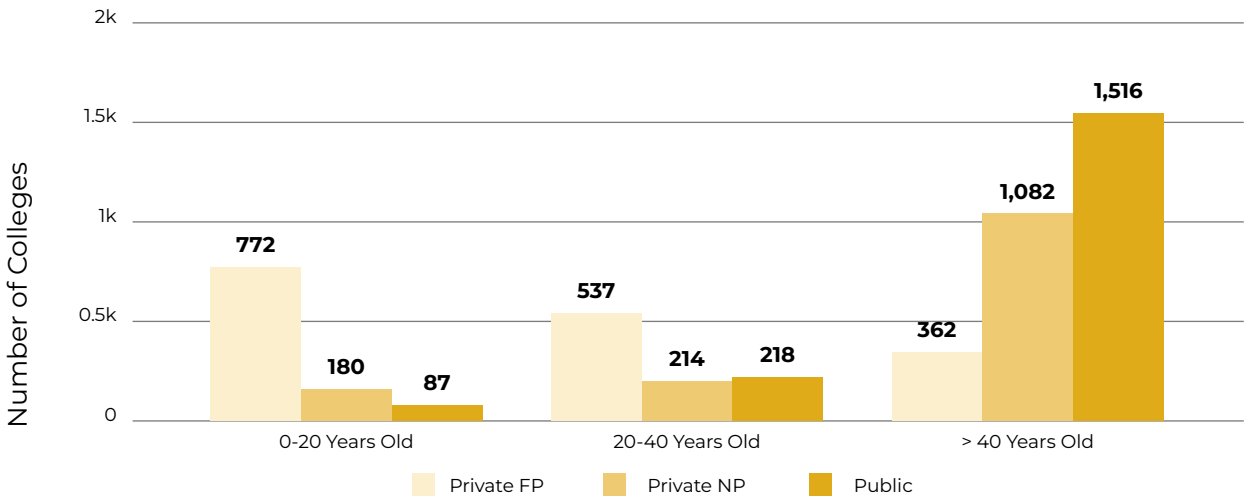
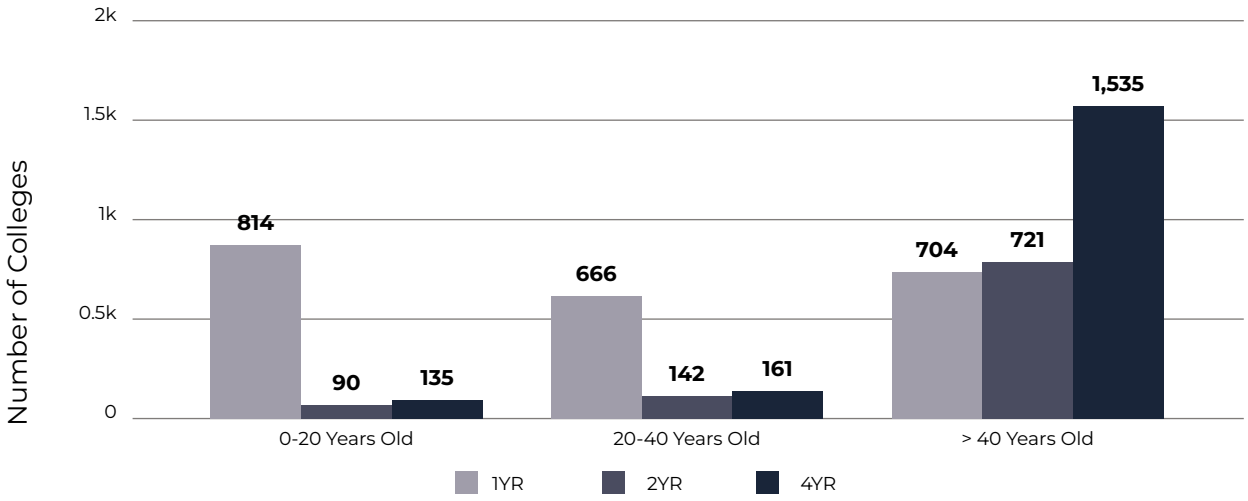


Exhibit 3C College Count by Age of College and Predominant Degree of College

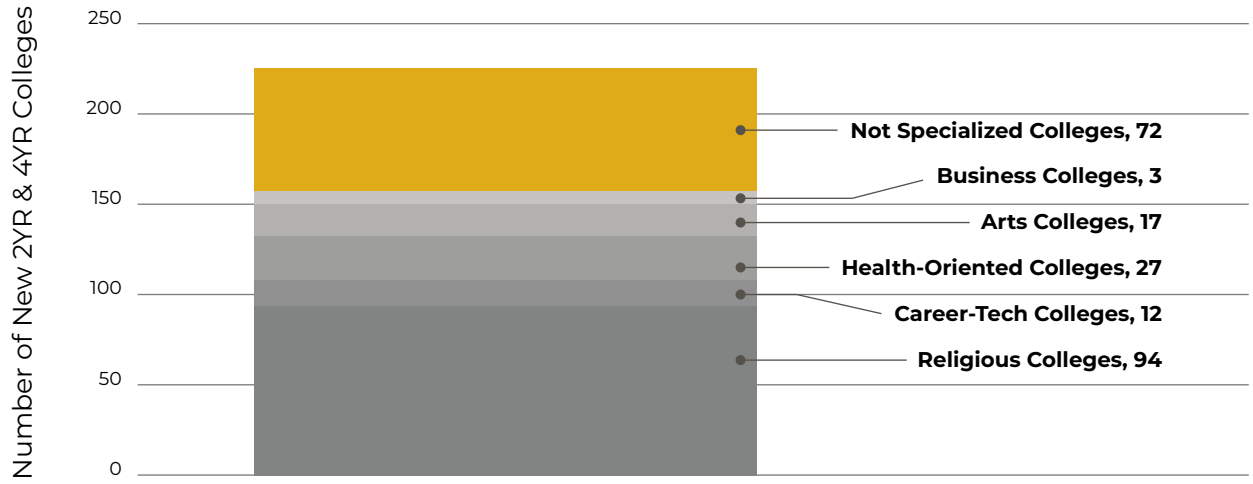


7. Finding #2 - Colleges that have been accredited in the past 20 years serve few students, are typically specialized, and are largely for-profit 1YR institutions.

Colleges accredited within the past 20 years are, first of all, small. The 1,039 colleges that have been accredited in the past 20 years serve only 2% of the current undergraduate college population.

These recently approved colleges are also specialized. For example, 78% of the colleges that formed in the last 20 years are 1YR colleges that offer a narrow range of jobs-oriented certificates in specific areas of employment (cosmetology, industrial trades, health services). The same trend is true among recent 2YR and 4YR colleges. Of the 225 current 2YR and 4YR colleges that formed in the last 20 years, two-thirds of them offer a narrow range of degrees focused on specialized employment.

Exhibit 4 **Degree Specialization of 2YR & 4YR Colleges Accredited in Last 20 Years**



Lastly, the colleges that have been approved in the last 20 years – in addition to being small, specialized 1YR institutions – are also commonly for-profit colleges. Specifically, 772 of the 1,039 colleges that were accredited in the last 20 years are for-profit institutions.

Exhibit 5 **Count of Colleges Accredited in Last 20 Years by Type of College**

		Public	Private NP	Private FP	Total
1YR Colleges	# of colleges < 20 years old	57	48	709	814
	% of colleges < 20 years old	7%	6%	87%	100%
2YR Colleges	# of colleges < 20 years old	20	33	37	90
	% of colleges < 20 years old	22%	37%	41%	100%
4YR Colleges	# of colleges < 20 years old	10	99	26	135
	% of colleges < 20 years old	7%	73%	19%	100%
Total	# of colleges < 20 years old	87	180	772	1,039
	% of colleges < 20 years old	8%	17%	74%	100%

8. Finding #3 - Among colleges formed in the last 20 years, 92% were accredited by national accreditors and 8% were accredited by the regional accreditors.

In total, 34 accreditors accredited 1,039 new colleges in the past 20 years. The accreditors most active in approving new colleges are national accreditors that typically oversee 1YR colleges and for-profit colleges. National accreditors approved 92% of existing colleges that won accreditation in the last 20 years. Three national accreditors alone accounted for 63% of these accreditations.

By contrast, regional accreditors approved only 8% (84) of the 1,039 existing colleges that formed in the last 20 years. Only 54 currently operating 2YR and 4YR colleges were approved by a regional accreditor in the last 20 years.

Exhibit 6A Count of Colleges Accredited in Past 20 Years by Accreditor and College Type

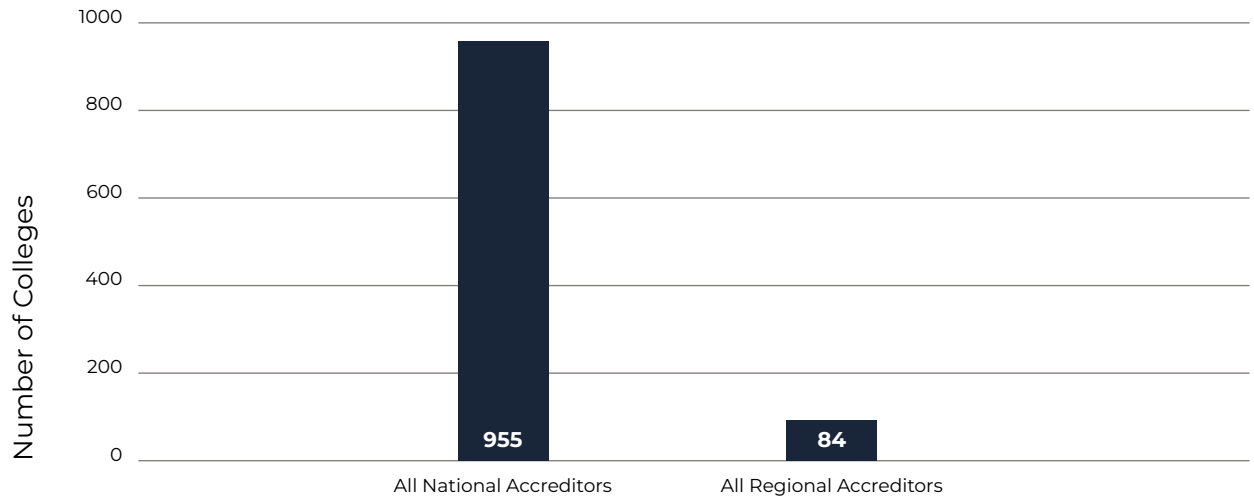
	Public Colleges				Private Non-profit Colleges				Private For-profit Colleges				All Colleges			
	4YR	2YR	1YR	All	4YR	2YR	1YR	All	4YR	2YR	1YR	All	4YR	2YR	1YR	All
National Accreditors																
National Accrediting Commission of Career Arts and Sciences, Inc.	0	0	1	1	0	0	4	4	0	0	400	400	0	0	405	405
Council on Occupational Education	0	0	29	29	0	1	12	13	1	7	103	111	1	8	144	153
Accrediting Commission of Career Schools and Colleges	0	0	1	1	1	0	2	3	4	10	75	89	5	10	78	93
Other National	1	2	9	12	80	29	25	134	18	17	123	158	99	48	157	304
All National Accreditors	1	2	40	43	81	30	43	154	23	34	701	758	105	66	784	955
Regional Accreditors																
Higher Learning Commission*	1	7	9	17	4	1	1	6	1	1	4	6	6	9	14	29
Middle States Commission on Higher Education**	0	0	1	1	3	1	3	7	0	2	3	5	3	3	7	13
New England Commission of Higher Education***	0	0	1	1	2	0	1	3	0	0	0	0	2	0	2	4
Northwest Commission on Colleges and Universities	1	3	2	6	0	0	0	0	0	0	0	0	1	3	2	6
Southern Association of Colleges and Schools, Commission on Colleges	5	2	3	10	2	0	0	2	0	0	0	0	7	2	3	12
WASC Senior College and University Commission	2	0	1	3	7	0	0	7	2	0	0	2	11	0	1	12
Western Association of Schools and Colleges, Accrediting Commission for Community and Junior Colleges	0	6	0	6	0	1	0	1	0	0	1	1	0	7	1	8
All Regional Accreditors	9	18	17	44	18	3	5	26	3	3	8	14	30	24	30	84
All Accreditors	10	20	57	87	99	33	48	180	26	37	709	772	135	90	814	1,039

* HLC includes the North Central Association Commission on Accreditation and School Improvement, Board of Trustees.

** MSCHE includes Middle States Commission on Secondary Schools.

*** NECHE includes New England Association of Schools and Colleges, Commission on Technical and Career Institutions.

Exhibit 6B **Count of Colleges Accredited in Past 20 Years by Accreditor Type**



9. Conclusion

Our overwhelming finding in this paper is that new colleges rarely form, and when new colleges do form, they reach few students and do not compete with the 2YR and 4YR colleges that serve most US undergraduates. Accreditors – especially the large regional accreditors that oversee most 2YR and 4YR colleges – are particularly inactive in accrediting new colleges.

We limit ourselves to analysis in this paper. We do not offer interpretations of the data, nor recommendations to policymakers or practitioners. We do, however, hope that our analysis will stimulate further research and debate about the optimal level and type of new entry in US higher education since new entry – if regulated and monitored properly – can be a beneficial source of innovation, disruption, and competition in the sector.