



Vocational School Enrollment Booms Amid White-Collar Bust

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The Great Recession and its jobless recovery have funneled tens of thousands of unemployed workers into vocational education programs and their promise of more secure, well-paid work.

Many of America's 17-plus million jobless are going back to school to learn new skills and improve their chances of rejoining the workforce when the economy rebounds.

Plumbing or auto repair can't be outsourced, goes the thinking. With household finances in disarray, accountants are assured of work for years to come.

Even jobseekers need stylists to keep up appearances. Bartenders are in demand, good times or bad. Ditto for computer programmers, heavy equipment operators, culinary staffs, carpenters and health care workers. A standard, four-year college degree simply isn't required.



"A large subset of our population should not go to college," said Richard K. Vedder, director of the Center for College Affordability and Productivity and professor of economics at Ohio University.

"The number of new jobs requiring a college degree is now less than the number of young adults graduating from universities, so more and more graduates are filling jobs for which they are academically overqualified," Vedder told the Chronicle of Higher Education.

Vocational schools are experiencing big spikes in enrollment as a result of so much unemployment, says Betty Krump, executive director of the American Technical Education Association. She adds enrollment is also up because families are seeking an alternative to costly four-year colleges for their children.

And Krump expects the subsequent success of those grads to quell the notion that vocational schools "are for dumb kids."

"There have been dramatic changes in this business," adds Dr. Barry Mack, director of CV-TEC, a vocational school in New York's Champlain Valley. "The focus has changed from just jobs to productive careers and lifelong learning."

Revenue at for-profit technical and trade schools has jumped by over 12% over the last 12 months, compared to average growth between 5% and 6% in 2006 and 2007, according to the financial analysis firm Sageworks.

School-directory.net, an online guide to vocational programs, states, "Vocational training, once considered a line of career building for the academically and economically less privileged, has metamorphosed into a high level of technical education, with specialized branches like robotics, computer networking, environmental technology and the like."

Take the case of Victor Silverman, an Army veteran with a wife and four kids to feed.

He found out about an apprenticeship program at Miami's Air Conditioning Technical Center, through its affiliation with Helmets to Hardhats, a national program that helps returning vets find union construction work.

"Getting soldiers into this kind of training is my idea of what supporting the soldiers is all about," Silverman said. "This is why I put my life on the line. It's the real thing."

Silverman earns while he learns, with tuition and health care covered by his employer.

"I work with a journeyman, and get to see what it is I am learning in class. It's an easier way to learn and a quicker way to make money."

What's Behind The Boom

Vocational educators cite many reasons for its current popularity: it's far cheaper than four-year college; it usually takes two—not four—years of schooling; the quality of education has improved mightily; it fits easier into a work schedule because of the extensive use of online and distance learning; and the resulting employment is viewed as being more secure.

"We are in a period in which students are focused on educational value, with a specific eye towards the applicability of academic programs.," says Steven Roy Goodman, an educational consultant and author of "College Admissions Together: It Takes a Family."

"It's a combination of last fall's economic crisis, the dramatic increase in quality of 'non-prestigious' schools in the past few years, and the recognition by large numbers of people that specific skills will be valued in the next decade's economic marketplace."

"Trade schools tend to flourish when times are bad," adds Roger Oldham, president of Professional Bartending Schools of America. "The past six years have been busy because of all the jobs that have been cut."

At Dunwoody College of Technology in Minneapolis, enrollment is at a five-year high, says Rich Wagner, president of the not-for-profit vocational school.

"Students feel that the auto mechanic job will not be outsourced," says Wagner. "We are seeing enrollment grow not only in traditional students straight out of high school, but in students coming back to college for retraining."

Consider the following:

- Lincoln Technical Institute, which has 26,000 students in 17 states, reported record third-quarter revenues last month and is projecting final 2009 revenues to be up 45 percent - nearly \$550 million year over year.

"A lot of people have lost their jobs and the programs we offer are in demand," said Scott Shaw, spokesman for the West Orange, N.J., company.

- The 34 Professional Bartending Schools of America graduate about 7,500 barkeeps a year. Business is projected to be up 20 percent this year, said company president Oldham. Each school is locally owned and operated, but uses his curriculum.

"The past six years have been busy because of all the jobs that have been cut," says Oldham.

- At DeVry University, online enrollment increased by 25 percent - from 41,128 to 51,628 - in November 2008 compared with a year earlier. Graduate-student enrollment rose 13.7 percent during the same period, from 15,657 to 17,803. The company, which operates in 94 locations in the U.S. and Canada, has said it is benefiting from people looking to reposition themselves in the job market.
- Universal Technical Institute, the Phoenix-based training provider for the diesel, collision repair, motorcycle, and marine industries, reported record earnings on Dec. 1.

The public company, with 10 campuses around the country, earned \$11.7 million for the four quarters ended Sept. 30, compared to \$8.2 million a year earlier. Trade schools operator Career Education Corp. just reported a third-quarter profit of \$20.8 million after losing \$147 million in the third quarter last year.

- CEO Gary McCullough says the company reached the "highest levels of new student starts and student population in our company's history," as people sought refuge from the recession in career-oriented programs focused on culinary arts, health education, arts and design.

Career Education Corp., based in Hoffman Estates, Ill., runs the American InterContinental University, Colorado Technical University and other schools. Ohio Technical College went from 350 students five years ago to a current enrollment of 1,100 students. For 2010, an enrollment increase of at least 20 percent is projected.

"Many of our students have been laid off and are looking for something different," says Tom King, director of enrollment.

More To Come

The trend was evident even before the beginning of the current recession, which has erased about 6.5 million jobs.

According to the Consolidated Annual Report published by the U.S. Department of Education, about 16 million students were enrolled nationally in career and technical education during the

2006-2007 school year, compared with 9.66 million in 1999. That increase well exceeds population growth.

Beefed-up revenue and enrollment coincides with relaxed rules on for-profit institutions receiving federal financial aid, as well as the expansion of the Pell Grant program pushed by President Obama.

From July through September of this year, USDE data show those schools doled out Pell Grants totaling \$23.4 million--a 46-percent increase over the same time last year. More than 10,600 students used the grants, a spike of almost 20 percent.

The stimulus package also earmarked \$12 billion over 10 years to community colleges, which offer vocational training much like that of the for-profit schools. The president's proposal also includes a plan to put \$500 million toward online courses and materials.

Obama's program, unveiled in July, focuses on associate and vocational degree programs at government-funded community colleges. He says it is aimed at getting people back to school and have them ready for "21st century jobs."

In fact, the School-directory.net Web site states, "According to the Department of Labor, the fastest growing segment of the American economy is in those careers requiring two years or less of postsecondary education.

The debate over vocational education versus traditional college has changed in the past 15 years, says business historian Bruce Weindruch.

"People now have a much higher view of vocational schools, which have taken on a much more qualitative tone," he said. If that perception isn't shared by everyone yet, it will be. The change in perception is being shaped by the role these schools play in providing quality people to the workforce."